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ABSTRACT

This document contains teacher and student materials for teaching entrepreneurship as part of a secondary, postsecondary, or adult curriculum. The materials are based on the curriculum alignment concept of first stating the objectives, developing instructional strategies for teaching to those objectives, and assessing to those same objectives. Each section in the teacher edition contains some or all of the following components for each of the four units of instruction: suggested activities, instructor's lesson checklist, answers to assignment sheets and written test, written test, unit evaluation form, teacher supplements, and transparency masters. In addition, the teacher's edition contains a competency profile, instructional and task analysis for the course, academic and workplace skills--classifications and definitions, a related academic and workplace skills list. The student edition contains four stand-alone units of instruction: (1) What Is an Entrepreneur?; (2) Entrepreneurial Thinking; (3) "The Entrepreneurial Workplace"; and (4) Customer Service = Success. Each instructional unit in the student edition includes the following basic components: objective sheet, information sheets, student supplements, and assignment sheets. Contains 34 references. (KC)

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ED 376 372

ENTREPRENEURIAL THINKING
CUSTOMER SERVICE EQUALS $UCCESS
WHAT IS AN ENTREPRENEUR?
THE ENTREPRENEURIAL WORKPLACE

DEVELOPING ENTREPRENEURIAL ATTITUDES

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Developing Entrepreneurial Attitudes

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Developing Entrepreneurial Attitudes

Teacher Edition

Table of Contents

Foreword . . . v
Acknowledgments . . . vii
Use of introductory materials . . . ix
Use of this publication . . . xi
Competency profile . . . xv
Instructional/task analysis . . . xvii
Academic and workplace skills classification and definitions . . . xxi
Related academic and workplace skills list . . . xxiii
Reference list . . . xxxi

What Is an Entrepreneur? Teacher page

Suggested Activities . . . 1
Instructor's Lesson Checklist . . . 7
Answers to Assignment Sheets . . . 9
Answers to Written Test . . . 13
Written Test . . . 15
Unit Evaluation Form . . . 19
Teacher Supplement
  1—Portfolio Project . . . 21

Entrepreneurial Thinking

Suggested Activities . . . 1
Instructor's Lesson Checklist . . . 11
Answers to Assignment Sheets . . . 15
Answers to Written Test . . . 17
Written Test . . . 19
Unit Evaluation Form . . . 21
Transparency Masters
  1—Major Aspects of Entrepreneurial Thinking . . . 23
  2—Major Aspects of Entrepreneurial Thinking (Continued) . . . 25
  3—Information Flow in a Traditional Management System . . . 27
  4—Information Flow in a Customer-First System . . . 29
  5—The Problem-Solving Process . . . 31

Table of Contents (cont.)

The Entrepreneurial Workplace Teacher page

Suggested Activities 1
Instructor's Lesson Checklist 9
Answers to Assignment Sheets 11
Answers to Written Test 17
Written Test 19
Unit Evaluation Form 21
Teacher Supplement
  1—The Problem-Solving Method 23

Customer Service = $uccess

Suggested Activities 1
Instructor's Lesson Checklist 15
Answers to Assignment Sheets 17
Answers to Written Test 19
Written Test 21
Unit Evaluation Form 25
Teacher Supplements
  1—Ramada's New-Employee Orientation Procedures 27
  2—Policy Guidelines Worksheet 35
  3—Tour Checklist 41
  4—Product Knowledge Worksheet 43
  5—Employee Orientation Checklist 45
Transparency Master
  1—Basic Problem-Solving Steps 49

Foreword

When the MAVCC staff began the process for developing the instructional materials *Developing Entrepreneurial Attitudes*, we wanted to create a set of instructional materials that would provide secondary and post-secondary students and adult learners with an opportunity to explore and analyze the attitudes of successful entrepreneurs. Much has been said about the need for employers and employees to have workplace skills and attitudes necessary to compete in today's workforce—and, also the need for business to be able to compete and survive in a global economy.

Utilizing these instructional materials, students will have an opportunity to profile the personality traits of successful entrepreneurs, intrapreneurs, and entrepreneurial businesses and analyze their own entrepreneurial personality traits. Assignments will include using the tools of logical thinking and the problem-solving process to analyze entrepreneurial situations, analyzing the roles of the entrepreneur and the intrapreneur in creating and maintaining the workplace environment of an entrepreneurial business, and identifying and analyzing the entrepreneurial and intrapreneurial attitudes necessary to provide quality customer service.

This publication, *Developing Entrepreneurial Attitudes*, is designed to be integrated into existing secondary and post-secondary programs and/or courses or as stand-alone units of instruction for adult learner workshops. The success of this publication is due in large part, to the capabilities of the personnel who worked with its development. Appreciation is extended to them for their valuable contributions to the publication.

These instructional materials are designed for student use and to assist teachers in organizing and improving instruction. These instructional materials are based on the curriculum alignment concept of first stating the objectives (objective sheet), developing instructional strategies for teaching to those objectives (information and assignment sheets), and assessing to those same objectives (written test—a criterion-referenced evaluation instrument).

Every effort has been made to make these materials basic, readable, and by all means, usable. However, as with all of MAVCC's instructional materials, teachers must localize and personalize these materials to meet their community, classroom/laboratory, and individual student's situation. Teachers are encouraged to supplement the instructional materials and to develop strategies for motivating their students.

Special attention should be given to the matrix identifying basic academic skills being reinforced in these instructional materials as well as the suggestions on ways to increase reinforcement of academic and workplace skills. By reinforcing these skills, the instructor should assist students in improving their employability skills.

As you use these instructional materials, we hope that you will find that they contribute to the quality of your program. If any problems occur or if you have any suggestions for improvement of the materials, please call or write us.

Ann Benson, Chairman
Board of Directors
Mid-America Vocational
Curriculum Consortium

Jim Steward
Executive Director
Mid-America Vocational
Curriculum Consortium

Acknowledgments

Appreciation is extended to those individuals who contributed their time and talent to the development of *Developing Entrepreneurial Attitudes.*

The contents of this publication were planned and reviewed by the following members of the Mid-America Vocational Curriculum Consortium development committee:

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Use of Introductory Materials

Introductory materials are included in the teacher edition only and contain useful information to assist administrators and teachers in planning for instruction.

In addition to the general information—such as the table of contents, foreword, and acknowledgments page—information is included on the following:

1. **Use of this publication**—Explains the components of a unit of instruction and how they should be used as part of the teaching/ learning process.
2. **Competency profile**—Provides a record of student performance for each task included in a unit of instruction. This profile becomes a part of the student's permanent records and should be utilized when directing the student toward employment opportunities.
3. **Instructional/task analysis**—Provides a quick review of the contents of the publication; identifies cognitive (knowledge) skills and psychomotor (doing) skills addressed in each unit of instruction.
4. **Academic and workplace skill classifications and definitions**—Defines the basic-skill classifications used by MAVCC. Skill areas reflected by skill groups, subskills, and descriptions have been identified using *Workplace Basics: The Skills Employers Want*, developed by the American Society for Training and Development (ASTD) and the U.S. Department of Labor and adapted by MAVCC.
5. **Related academic and workplace skills list**—Classifies unit tasks (assignment sheets) according to the related academic and workplace skills being reinforced.
6. **Reference list**—Provides a comprehensive list of the resources used in the development of this publication.

As you use these materials, it is hoped that they will provide useful information to meet a variety of needs.

Use of This Publication

Instructional units

The student edition of *Developing Entrepreneurial Attitudes* contains four stand-alone units of instruction: (1) What Is an Entrepreneur?, (2) Entrepreneurial Thinking, (3) The Entrepreneurial Workplace, and (4) Customer Service = $uccess. Each instructional unit in a student edition includes the following basic components: objective sheet, information sheet, student supplements, and assignment sheets.

Each section in the teacher edition includes some or all of the following components for each of the four units of instruction: suggested activities, instructor's lesson checklist, answers to assignment sheets, answers to written test, written test, unit evaluation form, teacher supplements, and transparency masters.

All of the unit components focus on measurable and observable learning outcomes. Teachers are encouraged to supplement, personalize, localize, and motivate with these materials in order to develop a complete teaching/learning process.

Units of instruction are designed for use in more than one lesson or class period of instruction. Careful study of each unit of instruction by the teacher will help to determine the following:

- Amount of materials that can be covered in each class period.
- Skills that must be demonstrated.
- Amount of class time needed for demonstrations.
- Amount of time needed for student practice.
- Supplementary materials, including print and nonprint media and equipment and supplies, that must be ordered.
- Resource people who must be contacted.

Student-edition components

It is a challenge to keep students motivated. Instructors should supplement the student-edition components by providing the "why," personal experiences, and current information. Prepare for each unit by deciding how each component can best be taught. Allow students to become involved in preparing and planning their teaching/learning experiences.

Objective sheet (color code: white). Each unit of instruction is based on performance objectives that state the goals for successful completion of the course. These performance objectives are stated in two forms: unit objectives, which state the expected performance of each student after completion of the unit of instruction, and specific objectives, which state what the student must do to reach the unit objective.

The objectives should be stressed throughout the teaching/learning process. This will help answer any questions concerning performance requirements for each instructional unit. The objectives can also help determine teaching strategies and instructional methods. Teachers should prepare for each unit by deciding how each objective can best be taught.

Teachers should feel free to modify, delete, or add objectives in order to meet the needs of the students and community. When objectives are added, the teacher should remember to supply the needed information-sheet, assignment-sheet, and written-test items.

Information sheet (color code: green). The information sheet provides the content essential for meeting the cognitive (knowledge) objectives of the unit. Teachers will find that the information sheet serves as an excellent guide for presenting background knowledge necessary to develop the skills specified in the unit objective. Students should read the information sheet before the information is discussed in class. Space is provided in margins for students and teachers to add notes that supplement, localize, personalize, or provide information for the teaching of each objective.

Student supplements (color code: white). The information presented in a student supplement may consist of tables, charts, written information, forms, or other information students will need in order to complete one or more of the assignment sheets. Students are not directly tested over the information presented in a supplement; however, their ability to apply this information may be evaluated in the completion of assignment sheets.

Assignment sheets (color code: tan). Assignment sheets provide students with pencil and paper activities that give them the opportunity to make practical application of the knowledge in the information sheet and student supplements. Criteria are provided to objectively evaluate student performance.

Teacher-edition components

Suggested activities. The suggested activities assist teachers during the preparation stage of the teaching/learning process by providing an instructional plan, teaching suggestions, and a list of supplemental resources. Ways to integrate academic and workplace skills have been included in the teacher suggestions, and skill areas have been noted in bold. The teacher should read the suggested activities before teaching a unit and decide how each objective can best be taught. Time should also be allowed to obtain supplemental materials, prepare audiovisual materials, and contact outside resources. Duties of the teacher will vary according to the particular unit.

References used in the development of each unit are listed in the suggested-activities section, along with suggested supplemental resources that may be used to teach the unit. These materials can be used by the teacher to supplement her or his knowledge of the subject area or to help students with particular interests or objectives in the area covered.

Use of This Publication (cont.)

Instructor's lesson checklist. The checklist is meant to be used by the teacher as a companion to the suggested-activities teacher component. The teacher should read the suggested activities for a complete lesson plan and suggestions for grouping objectives into unit lessons, and use the checklist as a convenience in collecting student and teacher components needed for teaching each unit lesson.

Assignment and written-test answers. Assignment-sheet answers and written-test answers are designed to assist the teacher in evaluation of student performances on the assignment sheets and written test.

Written test. This component provides criterion-referenced evaluation of every cognitive objective listed in the information sheet. If objectives have been added, deleted, or modified, appropriate changes should be made on the written test. It is recommended that the test be divided into shorter tests covering three or four objectives at a time and given soon after those objectives have been covered. A selection of test items from the units covered may be used for final tests at the end of each term if desired. The test is included in the teacher edition, but duplication is permitted for student use.

Unit evaluation form. This sheet provides teachers with a record of each student's performance on a unit of instruction. It includes space for assignment-sheet ratings, written-test scores, and teacher comments. The unit evaluation form may be duplicated for student use.

Teacher supplements. Teacher supplements are optional materials for the teacher to use. They have three purposes: to provide the teacher with higher-level materials to stretch the advanced student, with remedial information or practice to assist the less-advanced student, and with state-of-the-art information in which the teacher may not have background or with information that is not readily available in other books. Some teacher supplements may be duplicated for student use and are marked accordingly.

Transparency masters. Transparency masters are used to direct the students' attention to the topic of discussion. Transparency masters may provide illustrations, charts, schematics, or additional information needed to clarify and reinforce objectives included in the unit of instruction.

Competency Profile

Name: ______________________________

Directions: Evaluate the student using one of the optional rating scales below. Write the appropriate number/letters to indicate the degree of competency achieved. The descriptions associated with each of the number/letters focus on a level of student performance for each of the tasks listed. The written-test scoreline is provided for optional teacher use. It may not be applicable in all cases.

Optional rating scales

Option A

Rating scale:
4 — **Skilled** - Can perform job with no additional training.
3 — **Moderately skilled** - Has performed job during training program; limited additional training may be required.
2 — **Limited skill** - Has performed job during training program; additional training is required to develop skill.
1 — **Unskilled** - Is familiar with process, but is unable to perform job.
0 — **No exposure** - No information or practice has been provided during training program; complete training is required.
NA — **Non-applicable**.

Option B

Yes — Can perform with no additional training
No — Is unable to perform satisfactorily

What Is an Entrepreneur?

______1. Profile the personality traits of successful entrepreneurs and intrapreneurs and the characteristics of entrepreneurial businesses

______2. Profile your entrepreneurial personality traits

______3. Profile a successful entrepreneur and his or her entrepreneurial business

______4. ______________________________

______Written-test score

Entrepreneurial Thinking

______1. Analyze the nature of a recent innovation

______2. Use the tools of logical thinking to analyze a situation

______3. Apply the problem-solving process to improve the quality of a product or service

Competency Profile (cont.)

Entrepreneurial Thinking (cont.)

______4. Analyze the trustworthiness of a person you admire

______5. Analyze the business sense of an entrepreneur in your community

______6. Profile the entrepreneurial thinking skills of a successful entrepreneur

______7. ____

______Written-test score

The Entrepreneurial Workplace

______1. Determine the factors affecting the current workplace environment in the United States

______2. Practice intrapreneurial skills

______3. Profile employee perceptions of their workplace environment

______4. Analyze the workplace environment of an entrepreneurial business

______5. ____

______Written-test score

Customer Service = $uccess

______1. Develop a customer profile and write a customer-service strategy

______2. Handle customer complaints

______3. Analyze the customer services provided by an entrepreneur

______4. ____

______Written-test score

Comments: ____

____

Evaluator: ______________________ **Date:** ______________

Permission to duplicate this profile is granted.

14

Instructional/Task Analysis

Related Information: What the student should know	Application: What the student should be able to do
What Is an Entrepreneur?	
1. Definitions of terms associated with entrepreneurship	7. Profile the personality traits of successful entrepreneurs and intrapreneurs and the characteristics of entrepreneurial businesses
2. Definition of the term *entrepreneur*	
3. Definition of the term *intrapreneur*	8. Profile your entrepreneurial personality traits
4. Definition of the term *entrepreneurial business*	9. Profile a successful entrepreneur and his or her entrepreneurial business
5. Descriptions of the types of entrepreneurial businesses	
6. Descriptions of the categories of entrepreneurial businesses	
Entrepreneurial Thinking	
1. Definitions of the major aspects of entrepreneurial thinking	7. Analyze the nature of a recent innovation
2. Definitions of the aspects of creative thinking	8. Use the tools of logical thinking to analyze a situation
3. Definitions of the aspects of logical thinking	9. Apply the problem-solving process to improve the quality of a product or service
4. Definitions of the aspects of quality thinking	10. Analyze the trustworthiness of a person you admire
5. Definitions of the aspects of trustworthiness	11. Analyze the business sense of an entrepreneur in your community
6. Definitions of the characteristics of a person with business sense	12. Profile the entrepreneurial thinking skills of a successful entrepreneur

Instructional/Task Analysis (cont.)

Related Information: What the student should know	Application: What the student should be able to do
The Entrepreneurial Workplace	
1. Definition of the term *workplace environment*	9. Determine the factors affecting the current workplace environment in the United States
2. Factors affecting the current workplace environment in the United States	10. Practice intrapreneurial skills
3. Definition of the term *economics*	11. Profile employee perceptions of their workplace environment
4. Definition of the term *free-enterprise system*	12. Analyze the workplace environment of an entrepreneurial business
5. Definition of the term *entrepreneur*	
6. Description of the role of the entrepreneur in a free-enterprise system	
7. Definition of the term *intrapreneur*	
8. Description of the role of the intrapreneur in the current workplace environment	
Customer Service = $uccess	
1. Definitions of terms associated with customer service	
2. Reasons entrepreneurs must provide quality customer service	
3. Techniques entrepreneurs use to ensure their business provides quality customer service	
4. Reasons intrapreneurs must provide quality customer service	

Instructional/Task Analysis (cont.)

Related Information: What the student should know	Application: What the student should be able to do
Customer Service = $uccess (cont.)	
5. Techniques intrapreneurs use to ensure they provide quality customer service	9. Develop a customer profile and write a customer-service strategy
6. Ways intrapreneurs demonstrate a positive attitude toward quality customer service	10. Handle customer complaints
7. Basic problem-solving steps	11. Analyze the customer services provided by an entrepreneur
8. Reasons intrapreneurs should learn to apply problem-solving skills	

Academic and Workplace Skills
Classifications and Definitions

Skill Groups	Sub Skills	Definitions
Learning skills	Learning to learn	Developing ability to apply knowledge to other situations; knowing how to learn.
Foundation skills	Reading	Comprehending written information and analyzing, summarizing, and applying what has been read to a specific task.
	Writing	Communicating a thought, idea, or fact in written form in a clear, concise manner.
	Math	Applying computation skills such as reasoning, estimation, and problem solving as they are actually used on the job.
	Science	Applying knowledge learned through study or practice that is based on scientific principles as they relate to specific tasks.
Communication skills	Listening	Listening for content, conversation, long-term contexts, emotional meaning, and directions.
	Oral communication	Communicating a thought, idea, or fact in spoken form in a clear, concise manner.
Adaptability skills	Creative thinking	Using imagination to create something new—i.e. an idea, invention, work of art.
	Problem solving (critical thinking)	Recognizing and defining problems, inventing, and implementing solutions, and tracking and evaluating results.
Personal-management skills	Self-esteem	Developing self-confidence and creating a positive self-image.
	Motivation/goal setting	Setting and meeting defined goals and objectives.
	Personal and career development	Emphasizing self-direction by establishing and implementing a plan.
Group-effectiveness skills	Interpersonal relations	Developing ability to maintain positive relations with others.
	Negotiation	Resolving conflict between two or more individuals.
	Teamwork	Working together in a group to reach a common goal.
Influence skills	Organizational effectiveness	Adapting to the organization's goals, values, culture, and traditional modes of operation.
	Leadership	Directing/influencing a group in performance of a specific task; accepting responsibility for others.

Related Academic and Workplace Skills List

Task	Skill group	Subskill	Description
What Is an Entrepreneur?			
Profile the personality traits of successful entrepreneurs and intrapreneurs and the characteristics of entrepreneurial businesses (A.S. 1)	Foundation skills	Reading	Comprehending written information and analyzing and summarizing what has been read
		Writing	Communicating an idea in written form in a clear, concise manner
	Learning skills	Learning to learn	Developing ability to apply knowledge to other situations; knowing how to learn
	Group-effectiveness skills	Teamwork	Working together in a group to reach a common goal
	Influence skills	Organizational effectiveness	Adapting to the organization's goals, values, and culture
Profile your entrepreneurial personality traits (A.S. 2)	Foundation skills	Reading	Comprehending written information and analyzing and applying what has been read to a specific task
		Writing	Communicating a thought in written form in a clear, concise manner
	Learning skills	Learning to learn	Developing ability to apply knowledge to other situations; knowing how to learn
	Personal-management skills	Self-esteem	Developing self-confidence and creating a positive self-image
	Influence skills	Organizational effectiveness	Adapting to the organization's goals, values, and culture
Profile a successful entrepreneur and his or her entrepreneurial business (A.S. 3)	Foundation skills	Reading	Comprehending written information and analyzing, summarizing, and applying what has been read to a specific task
		Writing	Communicating a thought in written form in a clear, concise manner
	Learning skills	Learning to learn	Developing ability to apply knowledge to other situations; knowing how to learn

Related Academic and Workplace Skills List (cont.)

Task	Skill group	Subskill	Description
What Is an Entrepreneur? (cont.)			
	Communication skills	Listening	Listening for content, conversation, and emotional meaning
		Oral communication	Communicating a thought in spoken form in a clear, concise manner
	Influence skills	Organizational effectiveness	Adapting to the organization's goals, values, and culture
Entrepreneurial Thinking			
Analyze the nature of a recent innovation (A.S. 1)	Foundation skills	Reading	Comprehending written information and analyzing and applying what has been read to a specific task
		Writing	Communicating a thought in written form in a clear, concise manner
	Learning skills	Learning to learn	Developing ability to apply knowledge to other situations; knowing how to learn
	Adaptability skills	Critical thinking	Recognizing and defining problems, inventing and implementing solutions, and evaluating results
	Group-effectiveness skills	Teamwork	Working together in a group to reach a common goal
	Influence skills	Organizational effectiveness	Adapting to the organization's goals, values, and culture
Use the tools of logical thinking to analyze a situation (A.S. 2)	Foundation skills	Reading	Comprehending written information and analyzing and applying what has been read to a specific task
		Writing	Communicating a thought in written form in a clear, concise manner
	Learning skills	Learning to learn	Developing ability to apply knowledge to other situations; knowing how to learn
	Adaptability skills	Critical thinking	Recognizing and defining problems, inventing and implementing solutions, and evaluating results

Related Academic and Workplace Skills List (cont.)

Task	Skill group	Subskill	Description
	Entrepreneurial Thinking (cont.)		
	Influence skills	Organizational effectiveness	Adapting to the organization's goals, values, and culture
Apply the problem-solving process to improve the quality of a product or service (A.S. 3)	Foundation skills	Reading	Comprehending written information and analyzing and applying what has been read to a specific task
		Writing	Communicating a thought in written form in a clear, concise manner
	Learning skills	Learning to learn	Developing ability to apply knowledge to other situations; knowing how to learn
	Adaptability skills	Critical thinking	Recognizing and defining problems, inventing and implementing solutions, and evaluating results
	Group-effectiveness skills	Teamwork	Working together in a group to reach a common goal
	Influence skills	Organizational effectiveness	Adapting to the organization's goals, values, and culture
Analyze the trustworthiness of a person you admire (A.S. 4)	Foundation skills	Reading	Comprehending written information and analyzing and applying what has been read to a specific task
		Writing	Communicating a thought in written form in a clear, concise manner
	Learning skills	Learning to learn	Developing ability to apply knowledge to other situations; knowing how to learn
	Adaptability skills	Critical thinking	Recognizing and defining problems, inventing and implementing solutions, and evaluating results
	Influence skills	Organizational effectiveness	Adapting to the organization's goals, values, and culture
Analyze the business sense of an entrepreneur in your community (A.S. 5)	Foundation skills	Reading	Comprehending written information and analyzing and applying what has been read to a specific task

Related Academic and Workplace Skills List (cont.)

Task	Skill group	Subskill	Description
		Entrepreneurial Thinking (cont.)	
		Writing	Communicating a thought in written form in a clear, concise manner
	Learning skills	Learning to learn	Developing ability to apply knowledge to other situations; knowing how to learn
	Communication skills	Listening	Listening for content, conversation, and emotional meaning
		Oral communication	Communicating a thought or fact in spoken form in a clear, concise manner
	Adaptability skills	Problem solving	Recognizing and defining problems, inventing and implementing solutions, and evaluating results
	Group-effectiveness skills	Teamwork	Working together in a group to reach a common goal
	Influence skills	Organizational effectiveness	Adapting to the organization's goals, values, and culture
Profile the entrepreneurial thinking skills of a successful entrepreneur (A.S. 6)	Foundation skills	Reading	Comprehending written information and analyzing and applying what has been read to a specific task
		Writing	Communicating a thought in written form in a clear, concise manner
	Learning skills	Learning to learn	Developing ability to apply knowledge to other situations; knowing how to learn
	Adaptability skills	Problem solving	Recognizing and defining problems, inventing and implementing solutions, and evaluating results
	Group-effectiveness skills	Teamwork	Working together in a group to reach a common goal
	Influence skills	Organizational effectiveness	Adapting to the organization's goals, values, and culture

Related Academic and Workplace Skills List (cont.)

Task	*Skill group*	*Subskill*	*Description*
	The Entrepreneurial Workplace		
Determine the factors affecting the current workplace environment in the United States (A.S. 1)	Foundation skills	Reading	Comprehending written information and analyzing and summarizing what has been read
		Writing	Communicating a thought in written form in a clear, concise manner
	Learning skills	Learning to learn	Developing ability to apply knowledge to other situations; knowing how to learn
	Group-effectiveness skills	Teamwork	Working together in a group to reach a common goal
	Influence skills	Organizational effectiveness	Adapting to the organization's goals, values, and culture
Practice intrapreneurial skills (A.S. 2)	Foundation skills	Reading	Comprehending written information and analyzing and summarizing what has been read
		Writing	Communicating a thought in written form in a clear, concise manner
		Math	Applying computation skills as they are actually used on the job
	Learning skills	Learning to learn	Developing ability to apply knowledge to other situations; knowing how to learn
	Adaptability skills	Critical thinking	Recognizing and defining problems, inventing and implementing solutions, and tracking and evaluating results
	Group-effectiveness skills	Teamwork	Working together in a group to reach a common goal
	Influence-skills	Organizational effectiveness	Adapting to the organization's goals, values, and culture
Profile employee perceptions of their workplace environment (A.S. 3)	Foundation skills	Reading	Comprehending written information and analyzing and summarizing what has been read

Related Academic and Workplace Skills List (cont.)

Task	Skill group	Subskill	Description
The Entrepreneurial Workplace (cont.)			
		Writing	Communicating a thought in written form in a clear, concise manner
		Math	Applying computation skills as they are actually used on the job
	Communication skills	Listening	Listening for content, conversation, and emotional meaning
		Oral communication	Communicating a thought in spoken form in a clear, concise manner
	Learning skills	Learning to learn	Developing ability to apply knowledge to other situations; knowing how to learn
	Adaptability skills	Critical thinking	Recognizing and defining problems, inventing and implementing solutions, and tracking and evaluating results
	Group-effectiveness skills	Teamwork	Working together in a group to reach a common goal
	Influence skills	Organizational effectiveness	Adapting to the organization's goals, values, and culture
Analyze the workplace environment of an entrepreneurial business (A.S. 4)	Foundation skills	Reading	Comprehending written information and analyzing and summarizing what has been read
		Writing	Communicating a thought in written form in a clear, concise manner
	Learning skills	Learning to learn	Developing ability to apply knowledge to other situations; knowing how to learn
	Group-effectiveness skills	Teamwork	Working together in a group to reach a common goal
	Influence skills	Organizational effectiveness	Adapting to the organization's goals, values, and culture

Related Academic and Workplace Skills List (cont.)

Task	Skill group	Subskill	Description
Customer Service = $uccess			
Develop a customer profile and write a customer-service strategy (A.S. 1)	Foundation skills	Reading	Comprehending written information and analyzing and summarizing what has been read
		Writing	Communicating a thought in written form in a clear, concise manner
	Learning skills	Learning to learn	Developing ability to apply knowledge to other situations; knowing how to learn
	Adaptability skills	Critical thinking	Using imagination to create something new
		Problem solving	Recognizing and defining problems, inventing and implementing solutions, and tracking and evaluating results
	Group-effectiveness skills	Teamwork	Working together in a group to reach a common goal
	Influence skills	Organizational effectiveness	Adapting to the organization's goals, values, and culture
Handle customer complaints (A.S. 2)	Foundation skills	Reading	Comprehending written information and analyzing and summarizing what has been read
		Writing	Communicating a thought in written form in a clear, concise manner
	Communication skills	Listening	Listening for content, conversation, and emotional meaning
		Oral communication	Communicating a thought in spoken form in a clear, concise manner
	Learning skills	Learning to learn	Developing ability to apply knowledge to other situations; knowing how to learn
	Adaptability skills	Creative thinking	Using imagination to create something new
		Problem solving	Recognizing and defining problems, inventing and implementing solutions, and tracking and evaluating results

Related Academic and Workplace Skills List (cont.)

Task	Skill group	Subskill	Description
Customer Service = $uccess (cont.)			
	Group-effectiveness skills	Teamwork	Working together in a group to reach a common goal
	Influence skills	Organizational effectiveness	Adapting to the organization's goals, values, and culture
Analyze the customer service provided by an entrepreneur (A.S. 3)	Foundation skills	Reading	Comprehending written information and analyzing and summarizing what has been read
		Writing	Communicating a thought in written form in a clear, concise manner
	Learning skills	Learning to learn	Developing ability to apply knowledge to other situations; knowing how to learn
	Influence skills	Organizational effectiveness	Adapting to the organization's goals, values, and culture

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What Is an Entrepreneur?

Suggested Activities

Instructional plan

Preparation

- Review the unit and plan your presentation. Study the specific objectives to determine the order in which you will present the objectives.

  Review the unit introduction and teaching suggestions included in the delivery and application section below and plan classroom activities.

  Plan your presentation to take advantage of student learning styles and to accommodate special-needs students.

  Review the teaching suggestions below for Assignment Sheet 1, "Profile the Personality Traits of Successful Entrepreneurs and Intrapreneurs and the Characteristics of Entrepreneurial Businesses." The teaching suggestions call for you to introduce students to resources that will be valuable to them in learning about entrepreneurs and entrepreneurial businesses. Have as many examples of these resources on hand as possible for use with this unit of instruction and for the following three units.

  See the "research resources" section of Teacher Supplement 1, "Portfolio Project," for suggestions for possible periodicals to use in this assignment. Arrange for students to tour local libraries (school, community, university, etc.) and learn to locate articles in the business periodicals listed in the teacher supplement.

- Review Assignment Sheet 3, "Profile a Successful Entrepreneur and His or Her Entrepreneurial Business." Part A of this assignment calls for the instructor to provide students with a list of the local agencies that assist entrepreneurial businesses.

  Create and have available for students this resource list to use in completing this assignment. See the "research resources" section of Teacher Supplement 1, "Portfolio Project," for suggestions for agencies that may be used in helping you compile this local listing.

Suggested Activities

Part B of this assignment asks students to complete a report that will be collected as a portfolio assignment. Each of the four units in this publication will call for one portfolio assignment. The compilation of these four assignments becomes a record of the progress students made in their study of entrepreneurship throughout this publication.

Therefore, you will need to determine the format you prefer to have students use in completing this portfolio assignment and the other portfolio assignments called for in this publication. See Teacher Supplement 1 for suggestions for using and evaluating portfolio assignments.

- Obtain films, videotapes, and other media to supplement instruction of this unit. See ordering information in the suggested resources section below.
- Select the teacher components (teacher supplement, written test, unit evaluation form) you want to distribute to your students. Copy and prepare these components for distribution.
- Prepare the classroom. Put up posters and charts and display articles and other references related to the objectives of this unit.
- Review the teacher page "Instructor's Lesson Checklist."

Delivery and application

Unit introduction

- Show the video *Entrepreneurship: A Vision for Everyone.*
- Have students locate the objective sheet. Discuss the unit and specific objectives.
- Explain to students that the major purposes of this unit are to
  - Help them learn what an entrepreneur is, what an intrapreneur is, and what an entrepreneurial business is.
  - Help them analyze their own entrepreneurial traits (strengths and weaknesses).
  - Introduce them to some of the resources (agencies and publications) entrepreneurs use in establishing and maintaining their entrepreneurial businesses.

Suggested Activities

Teaching suggestions

The skill areas appearing in bold-face type in the teaching suggestions refer to the academic and workplace skills identified by the American Society of Training and Development (ASTD) and the U.S. Department of Labor. These have been adapted by MAVCC.

- To help students learn the definitions of the terms *entrepreneur, intrapreneur*, and *entrepreneurial business*, read and discuss with students the information, notes, and examples given for Objectives 1 through 6 in the information sheet in the student edition:

  Objective 1 Match terms associated with entrepreneurship to their correct definitions.

  Objective 2 Define the term *entrepreneur.*

  Objective 3 Define the term *intrapreneur.*

  Objective 4 Define the term *entrepreneurial business.*

  Objective 5 Match types of entrepreneurial businesses to their correct descriptions.

  Objective 6 Match categories of entrepreneurial businesses to their correct descriptions.

  (Reading/listening for content; applying technical terms)

- To introduce students to some of the printed publications entrepreneurs use, hand out copies of *SUCCESS, Entrepreneur, Small Business Reports, Inc., Newsweek, Time, Business Week*, etc. Point out to students the formats and types of information found in each publication.

  Take students on library tours of the libraries in your local area, and at each library have the librarian show students how to use the *Readers Guide to Periodical Literature* to locate articles in these publications. Also, have the librarian show students how to use *Standard and Poor's Register of Corporations, Directors, and Executives.* **(Reading/listening for content; learning to learn)**

Suggested Activities

- While at the libraries, have students photocopy articles about particular entrepreneurs and bring the articles to class. Have students give oral presentations in which they discuss the publication that was the source for their article and summarize the contents of the article. **(Learning to learn; oral communication)**

  Explain that by analyzing the articles they read students can have a constantly changing, up-to-date resource file to use in becoming entrepreneurs and keeping their entrepreneurial business in tune with developments in entrepreneurship. **(Reading/listening for content; learning to learn; adapting to the organization's culture and traditional modes of operation)**

- Have students review Objectives 1 through 4 in the information sheet.

- Have students locate Assignment Sheet 1, "Profile the Personality Traits of Successful Entrepreneurs and Intrapreneurs and the Characteristics of Entrepreneurial Businesses." Read with students and discuss the introduction to the assignment sheet and the reading assignment, activity checklist, and Reading Check 1 in Part A of the assignment. Have students read Student Supplement 1, "The Mind-Style of the Entrepreneur." Have students complete the activity checklist for Part A of the assignment. **(Reading/listening for direction)**

- Have students locate Part B of Assignment Sheet 1. Discuss the reading assignment, activity checklist, and Reading Check 2 in Part B of the assignment. Have students complete the activity checklist for Part B.

- Have students review Objectives 5 and 6 in the information sheet.

- Have students locate Part C of Assignment Sheet 1. Discuss the reading assignment and activity checklist in Part C of the assignment. Have students complete the activity checklist for Part C.

- To help students analyze their own entrepreneurial traits, have them locate Assignment Sheet 2, "Profile Your Entrepreneurial Personality Traits," and the appropriate self-inventory for their age group found in either Student Supplement 2 or Student Supplement 3.

Suggested Activities

Read and discuss with students the introduction, reading assignment, and activity checklist to the assignment sheet and the introduction and directions to the self-inventories. Also, discuss the evaluation section of each self-inventory. Have students complete the activity checklist for the assignment.

- Have students locate Assignment Sheet 3, "Profile a Successful Entrepreneur and His or Her Entrepreneurial Business." Read and discuss with students the introduction, reading assignment, and activity checklist to Part A.

  Provide students with a list of local agencies organized to assist economic development through entrepreneurship. Explain that students will work in groups of two to select one agency to contact and compile a list of the entrepreneurial businesses the agency works with in the local area. Then, each student in the group will work with you to select an entrepreneurial business to contact.

  Assist students in selecting a wide variety of entrepreneurial businesses so that the profiles they complete in Part B can be collected and provide students with a comprehensive view of the types of entrepreneurial businesses in the local area.

  Have students complete the activity checklist for Part A of the assignment.

- Have students locate Part B of Assignment Sheet 3. Read and discuss with students the activity checklist and interview outline in Part B of the assignment.

  Have students complete the activity checklist for Part B of the assignment. Then, lead students in a discussion in which they recognize the impact entrepreneurial businesses have on the economy of the local area.

  (Reading/listening for content and direction; communicating a thought or idea in spoken form; learning to learn)

Evaluation

- Evaluate the assignment sheets. See the evaluation criteria listed at the top of each assignment sheet as well as the teacher page "Answers to Assignment Sheets."
- Give the written test. See the teacher page "Written Test."

Suggested Activities

- Evaluate the written test. See the teacher page "Answers to Written Test."
- Compile written-test and assignment-sheet scores. See the teacher page "Unit Evaluation Form."
- Reteach and retest as required.

Suggested resources

Resources used in developing this unit

Print media

- Crummett, Dan M., and Jerrie Crummett. *Introduction to International Trade*. Stillwater, Oklahoma: Mid-America Vocational Curriculum Consortium, Inc., 1994.
- Walker, Susan S. *Introduction to Hospitality and Tourism*. Stillwater, Oklahoma: Mid-America Vocational Curriculum Consortium, Inc., 1993.
- Warsaw, Michael. "The Mind-Style of the Entrepreneur," *SUCCESS*, April 1993.

Suggested supplemental resources

Nonprint media

- *Entrepreneurship: A Vision For Everyone*. Center on Education and Training for Employment, College of Education, The Ohio State University, 1900 Kenny Road, Columbus, Ohio 43210-1090; telephone 800-848-4815.

  Designed for student recruitment and teacher inservice, this 25-minute color video and accompanying booklet support the positive influence vocational training has on small-business development. The video features the success stories of seven young business owners who have vocational training. The booklet includes data from the Ohio study of young entrepreneurs. Copyright 1989; $49.50.

What Is an Entrepreneur?

Instructor's Lesson Checklist

The instructor should read the Suggested Activities teacher pages for a complete lesson plan and specific suggestions for teaching each objective in this unit of instruction. The checklist below is provided only as a convenience to the instructor in collecting student and teacher components when teaching the unit lessons.

Lesson 1 Determine the Personality Traits of Successful Entrepreneurs and Intrapreneurs and Characteristics of Entrepreneurial Businesses

- Student components

______ 1. Objective Sheet, Specific Objective 1, Match terms associated with entrepreneurship to their correct definitions

______ 2. Objective Sheet, Specific Objective 2, Define the term *entrepreneur*

______ 3. Objective Sheet, Specific Objective 3, Define the term *intrapreneur*

______ 4. Objective Sheet, Specific Objective 4, Define the term *entrepreneurial business*

______ 5. Objective Sheet, Specific Objective 5, Match types of entrepreneurial businesses to their correct descriptions

______ 6. Objective Sheet, Specific Objective 6, Match categories of entrepreneurial businesses to their correct descriptions

______ 7. Information Sheet, Objective 1, Terms and definitions associated with entrepreneurship

______ 8. Information Sheet, Objective 2, Definition of the term *entrepreneur*

______ 9. Information Sheet, Objective 3, Definition of the term *intrapreneur*

______10. Information Sheet, Objective 4, Definition of the term *entrepreneurial business*

______11. Information Sheet, Objective Sheet 5, Types of entrepreneurial businesses and their descriptions

Instructor's Lesson Checklist

Lesson 1 (cont.)

______12. Information Sheet, Objective 6, Categories of entrepreneurial businesses and their descriptions

______13. Student Supplement 1, "The Mind-Style of the Entrepreneur"

______14. Assignment Sheet 1, Profile the Personality Traits of Successful Entrepreneurs and Intrapreneurs and the Characteristics of Entrepreneurial Businesses

Lesson 2 Profile Your Entrepreneurial Personality Traits

- Student components

______ 1. Student Supplement 2, Self-Inventory—Secondary Student

______ 2. Student Supplement 3, Self-Inventory—Adult

______ 3. Assignment Sheet 2, Profile Your Entrepreneurial Personality Traits

Lesson 3 Portfolio Assignment

- Student component

______ 1. Assignment Sheet 3, Profile a Successful Entrepreneur and His or Her Entrepreneurial Business

- Teacher component

______ 1. Teacher Supplement 1, Portfolio Project

What Is an Entrepreneur?

Answers to Assignment Sheets

Assignment Sheet 1

Part A

Content of each item in Reading Check 1 in Part A of the exercise may be evaluated using the following as guides.

1. Stevenson says most people become entrepreneurs to have control over their own destiny—it's a feeling of if I'm going to take the risk, let me get the rewards.

2. Stevenson says that in the past a career with a big company seemed rewarding, dynamic, and secure. Today, a career in a big company does not look rewarding or secure—the employee takes the risk and the company gets the reward. Also, new technology now gives small businesses ready access to the same services that used to require the resources of the large business organizations.

3. An entrepreneur is a person who exhibits the behavior of pursuing opportunity without regard to the resources he or she currently controls. It is a behavior that can be understood and wielded as a tool; a tool that empowers you, whether you're the business owner, a manager, or anybody pursuing success.

4. A **promoter** confidently pursues opportunity without worrying whether he or she has enough resources.

   A **trustee** thinks first about the resources at hand and seeks opportunities based on that inventory.

5. First, an entrepreneur needs some basic skills in tax law, securities regulation, and financial analysis.

   Second, an entrepreneur needs some presentation (sales) skills.

   Third, an entrepreneur must be able to see many different solutions to a problem.

Fourth, an entrepreneur must develop a set of three attitudes:

- Behind every situation is an opportunity for improvement.
- I have a personal responsibility to bring about that improvement.
- The experts and the experienced may be wrong.

6. Stevenson says the core talent of an entrepreneur is understanding empathetically the people around him or her and asking, "What do I have that they want, which I can get to them?"

7. Stevenson says entrepreneurship creates personal power by always looking for improvement, instead of saying it's good enough. An entrepreneur is always asking, what can I do to make it better for the customer? supplier?

8. Stevenson says all businesses must be entrepreneurial in the sense of pursuing opportunity because those who do not seek opportunities continue to do the same old things with declining returns over time.

9. Stevenson thinks one of the biggest impediments to entrepreneurship is the fear of failure that restricts the pursuit of opportunity. He believes no success is permanent and no failure is final.

10. Stevenson says an entrepreneur will always ask, "For what opportunity do I have an unfair advantage?" And, he or she will pursue that opportunity. Also, an entrepreneur has faith that he or she can recognize opportunities that other people wouldn't see.

Part B

Content of the item in Reading Check 2 in Part B of the exercise may be evaluated using the following as a guide.

Stevenson gives the example of the successful intrapreneur from the 3M Company who invented Post-its. This successful intrapreneur pursued opportunity within the company and demonstrated the three attitudes an entrepreneur must develop:

- Behind every situation is an opportunity for improvement.
- I have a personal responsiblity to bring about that improvement.
- The experts and the experienced may be wrong.

Part C

Student performance should be evaluated according to the criteria listed on the assignment sheet.

Evaluator's note: There are no right or wrong answers to this section of the assignment. In evaluating this section, the evaluator should look for seriousness of effort and completeness rather than for "correctness."

Assignment Sheets 2 and 3

Student performance should be evaluated according to the criteria listed on each assignment sheet.

Evaluator's note: There are no right or wrong answers to these assignment sheets. In evaluating these assignments, the evaluator should look for seriousness of effort and completeness rather than for "correctness."

What Is an Entrepreneur?

Answers to Written Test

1.
   a. 7
   b. 4
   c. 3
   d. 2
   e. 1
   f. 5
   g. 6

2. Individual who attempts to earn money and make profits by taking the risk of owning and operating a business

3. Employee who possesses and applies entrepreneurial skills and personality traits in the workplace

4. Business owned and operated by an entrepreneur

5.
   a. 2
   b. 3
   c. 6
   d. 1
   e. 5
   f. 4

6.
   a. 5
   b. 4
   c. 1
   d. 3
   e. 2

What Is an Entrepreneur?

Written Test

Name ______________________________ Score ______________

1. Match terms associated with entrepreneurship to their correct definitions. Write the numbers on the blanks.

   ______a. Personal judgment concerning the importance or worth of a thing or quality

   ______b. Distinctive behavioral or emotional characteristic of an individual's personality

   ______c. Thing, subject, or activity in life that you like to do or that makes you happy

   ______d. Mental position

   ______e. Talent or potential for being able to do something

   ______f. Possibility of loss or liability; the uncertainty of gains or losses assumed by an individual or a business

   ______g. Activity you have been trained to do and have practiced doing

   1. Aptitude
   2. Attitude
   3. Interest
   4. Personality trait
   5. Risk
   6. Skill
   7. Value

2. Define the term *entrepreneur*. Write your answer on the blanks provided beside the term below.

   Entrepreneur ____

   ____

   ____

   ____

   ____

   ____

Written Test

3. Define the term *intrapreneur.* Write your answer on the blanks provided beside the term below.

Intrapreneur ____

____

____

____

4. Define the term *entrepreneurial business.* Write your answer on the blanks provided beside the term below.

Entrepreneurial business ______________________________________

____

____

____

5. Match types of entrepreneurial businesses to their correct descriptions. Write the numbers on the blanks. Descriptions continue on the next page.

______a. Business in which the entrepreneur contracts with another business to sell a product or service under specific terms

______b. Business owned by one person who assumes all the financial and personal risks of the business and receives all the profit

______c. Small business owned by stockholders who divide the expenses and income from the business and each reports these on his or her personal income-tax return

______d. Business in which the entrepreneur(s) is solely responsible for the financing, organization, and operation of the business

1. Independent
2. Franchise
3. Sole proprietorship
4. Partnership
5. Corporation
6. S corporation

_____e. Small or large business owned by stockholders and operated by managers who may or may not be stockholders; stockholders invest money or property in exchange for capital stock in the corporation

_____f. Business owned by two or more persons, each contributing money, capital, and skills and sharing the profits, losses, and risks of the business

6. Match categories of entrepreneurial businesses to their correct descriptions. Write the numbers on the blanks.

_____a. Selling useful labor that does not produce a tangible product

_____b. Selling small quantities of products directly to the consumer

_____c. Mining and pipelining natural resources

_____d. Selling large quantities of products for resale

_____e. Producing products made from raw materials

1. Extractive
2. Manufacturing
3. Wholesaling
4. Retailing
5. Services

Permission to duplicate this test is granted.

What Is an Entrepreneur?

Unit Evaluation Form

Student name ______________________________ Unit rating __________

Assignment-sheet ratings

Assignment Sheet 1—Profile the Personality Traits of Successful Entrepreneurs and Intrapreneurs and the Characteristics of Entrepreneurial Businesses Rating _____

Comments: ____

____

Assignment Sheet 2—Profile Your Entrepreneurial Personality Traits Rating _____

Comments: ____

____

Assignment Sheet 3—Profile a Successful Entrepreneur and His or Her Entrepreneurial Business Rating _____

Comments: ____

____

Written-test scores

Pretest _____ Posttest _____ Other _____

Comments: ____

____

Teacher signature ______________________________ Date __________

Student signature ______________________________ Date __________

Permission to duplicate this form is granted.

What Is an Entrepreneur?

Teacher Supplement 1—Portfolio Project

Much is written and reported each day concerning the increasing importance of entrepreneurship. Throughout this publication, students will be asked to read and collect articles in current periodicals or other types of resource information on the subject of the unit they are studying. These articles and resource information will be compiled into a portfolio, where students will analyze the information they have collected. Therefore, the instructor will need to have (1) a format to be used for a portfolio assignment and (2) a number of resources available in the classroom for student use in completing research for each portfolio assignment.

Portfolio format

Educators in some states are beginning to use portfolio assignments as alternative methods of evaluating student progress in a field of study—especially student progress in higher-order thinking skills. In states where educators use portfolios, the format for these assignments has generally been dictated.

For the portfolio assignments required in this publication, teachers should use the required guidelines for their state if these have been established. If not, the teacher should develop individual guidelines for the portfolio assignments. Instructors will vary on the importance they place on any of the various elements of a written assignment requiring students to perform at the analysis level (grammar, structure, purpose, relevance, etc.). Therefore, the grading requirements of each of these assignments have been left up to you to establish specifically. The curriculum writer's purpose in creating these assignments was to get students to perform analysis in each unit of instruction, and the relevance and organization of the student product are the only criteria established.

Research resources

A number of resources for articles on entrepreneurship are readily available in libraries or even in students' homes. Readily available resource periodicals to review include:

Magazines

SUCCESS
Entrepreneur
Small Business Reports
Inc.
Newsweek
Time
U.S. News & World Report
Forbes
Business Week
Fortune
Venture

Newspapers

Local and state daily newspapers
*The Wall Street Journal**
USA Today
New York Times

*The Wall Street Journal makes a classroom edition available with a monthly teacher guide, posters, and supplemental videos. Call 1-800-628-9320, ext. 2172, for information

Teacher Supplement 1

As the study of entrepreneurship becomes more specific in later units of this publication, the various topics will determine what articles students will be required to review. In this case, the *Reader's Guide of Periodical Literature,* found in most public libraries, is an excellent catalog of current articles appearing in periodicals. Entries in the *Reader's Guide* are listed alphabetically by subject.

Another useful source of information for instructors and students wanting to contact business representatives is *Standard and Poor's Register of Corporations, Directors, and Executives.* This multi-volume publication is also found in most public libraries.

Various state and federal government and private institutions also produce publications on entrepreneurship. Instructors should contact any state or federal office possibly linked to entrepreneurship (state department of commerce, office of international trade, department of tourism, cooperative extension service, department of economic development, export-assistance centers, U.S. Small Business Administration, U.S. Government Printing Office, U.S. Department of Agriculture, U.S. Department of State, etc.). Local agencies instructors should contact include the Chamber of Commerce. Private institutions instructors should contact include the World Bank, Dunn and Bradstreet, etc. See the addresses listed below for some of these and other organizations.

Address listing

American Marketing Association, 250 S. Wacker Drive, Suite 200, Chicago, Illinois 60606; (312) 648-0536.

American Vocational Association,1410 King Street, Alexandria, Virginia 22314.

Business Week, McGraw-Hill Publications, Inc., 1221 Avenue of the Americas, New York, New York 10020.

Center for Entrepreneurship, 523 Zane Showker Hall, James Madison University, Harrisonburg, Virginia 22807.

Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230.

Dunn and Bradstreet International, One Exchange Plaza, Suite 715, Jersey City, New Jersey 07302.

Entrepreneur, American Entrepreneurs Association, 2311 Pointius Avenue, Los Angeles, California 90064; (213) 478-0437.

Forbes, Forbes, Inc., 60 Fifth Avenue, New York, New York 10020.

Fortune, Times, Inc., 1271 Avenue of the Americas, New York, New York 10020.

Teacher Supplement 1

Harvard Business Review, Harvard University, Graduate School of Business Administration, Soldiers Field Road, Boston, Massachusetts 02163.

Inc., Inc. Magazine, Box 2538, Boulder, Colorado 80322.

International Council for Small Business, St. Louis University, 3674 Lindell Blvd., St. Louis, Missouri 63108; (314) 658-3896.

Marketing and Distributive Education Association, 1908 Association Drive, Reston, Virginia 22091; (703) 476-4299.

National Association of Small Business International Trade Educators (NASBITE), One World Trade Center, 121 SW Salmon Street, Suite 230, Portland, Oregon 97204; (503) 274-7482.

National Association of State Development Agencies, 444 N Capitol Street NW, Washington, DC 20001; (202) 624-5411.

National Business Education Association, 311 First Street NW, Washington, DC 20001.

Small Business Foundation of America, 20 Park Plaza, Suite 438, Boston, Massachusetts 02116; (617) 350-5096.

Small Business Reports, Business Research and Communications, One Mission Plaza, Monterey, California 93940; (408) 899-7221.

SUCCESS, 230 Park Avenue, New York, New York 10169; (212) 551-9500.

U.S. Department of Agriculture, Foreign Agriculture Service, Export Programs Division, South Building, Room 5940, Washington, DC 20250; (202) 447-3031.

U.S. Department of Commerce, Export Promotion Services, PO Box 14207, Washington, DC 20044; (202) 377-2432.

U.S. Department of Commerce, International Trade Administration, ITA Publications Distribution, Room 1617D, Washington, DC 20230.

U.S. Department of State, Bureau of Economic and Business Affairs, 2201 C Street NW, Room 6822, Washington, DC 20520; (202) 647-1682.

U.S. Government Printing Office, Superintendent of Documents Publication Service Section, Washington, DC 20401; (202) 275-3050.

Teacher Supplement 1

U.S. Small Business Administration, 409 3rd Street SW, Washington, DC 20416. Also, see your local phone book for a listing of your local SBA district office, or dial (800) 827-5722 for the SBA Answer Desk, which gives prerecorded information on all of the SBA's major programs and services. The SBA also provides a *Directory of Publications* that can be purchased for a nominal fee. Request it from the Answer Desk.

Venture: The Magazine for Entrepreneurs, Venture Magazine, 521 Fifth Avenue, New York, New York 10175-0028; (212) 682-7373.

World Bank Publications, PO Box 37525, Washington, DC 20013; (202) 473-2946.

Entrepreneurial Thinking

Suggested Activities

Instructional plan

Preparation

- Review the unit and plan your presentation. Study the specific objectives to determine the order in which you will present the objectives.

  Review the unit introduction and teaching suggestions included in the delivery and application section below and plan classroom activities. Also note suggestions for media and supplemental materials.

  Plan your presentation to take advantage of student learning styles and to accommodate special-needs students.

- Review Assignment Sheet 1, "Analyze the Nature of a Recent Innovation." This assignment asks students to collect articles from recent periodicals. Create and have available for students a list of resources to use in finding articles about innovations in business. See the resource list in Teacher Supplement 1 in the teacher pages of "What Is an Entrepreneur?" Collect as many of these resources as possible to be available to students in the classroom.

- Review Assignment Sheet 5, "Analyze the Business Sense of an Entrepreneur in Your Community," and Assignment Sheet 6, "Profile the Entrepreneurial Thinking Skills of a Successful Entrepreneur." These assignments call for students to interview entrepreneurs in the local community. Therefore, you will need to create and have available for students a list of local entrepreneurs who will cooperate with students in completing these assignments.

  Assignment Sheet 6 is the portfolio assignment in this unit of instruction. See Teacher Supplement 1 in the teacher pages of "What Is an Entrepreneur?" and determine the format you prefer to have students use in completing this portfolio assignment.

- Obtain films, videotapes, and other media to supplement instruction of this unit. See ordering information in the suggested resources section below.

Suggested Activities

- Make transparencies from the transparency masters included in this unit.

- Select the teacher components (written test, unit evaluation form) you want to distribute to your students. Copy and prepare these components for distribution.

- Prepare the classroom. Put up posters and charts and display articles and other references related to the objectives of this unit.

- Review the teacher page "Instructor's Lesson Checklist."

Delivery and application

Unit introduction

- Have students locate the objective sheet. Discuss the unit and specific objectives.

- Show the video series *Discovering the Future.*

Teaching suggestions

The skill areas appearing in bold-face type in the teaching suggestions refer to the academic and workplace skills identified by the American Society of Training and Development (ASTD) and the U.S. Department of Labor. These have been adapted by MAVCC.

Objective 1 Match major aspects of entrepreneurial thinking to their correct definitions.

- Have students locate Objective 1 in the information sheet. Read and discuss with students the terms and definitions presented in this section of the information sheet: *creative thinking, logical thinking, quality thinking, trustworthiness,* and *business sense.* Emphasize that the five major aspects of entrepreneurial thinking are all interrelated and do not necessarily occur separately. Think of a product/service that would be appropriate for your class and use it as an example to illustrate how the five aspects are interrelated. Use Transparency 1 to help illustrate the concept as you explain your example. **(Reading/listening for content; communicating a thought in spoken form)**

Suggested Activities

- Invite successful entrepreneurs from your community to talk to your class about the interplay of creativity, logic, quality, trustworthiness, and business sense in their own enterprises. **(Listening for content; adapting to the organization's traditional modes of operation)**

Objective 2 Distinguish between definitions of the aspects of creative thinking.

- Have students locate Objective 2 in the information sheet. Read and discuss with students the terms and definitions presented in this section of the information sheet: *innovation* and *intuition*. Use Transparency 2 to illustrate your discussion. **(Reading/listening for content)**

- Point out that people cannot consciously will themselves to have creative thoughts. They can, however, make a conscious effort to be aware of their creative thoughts as they occur. Have students identify a problem or need and jot down any creative thoughts that they might have about it over several days' time; also, direct them to have one creative thought about that problem at a particular time of day—say, between 7:00 p.m. and 7:05 p.m.—every day. The result should be that few of them have truly creative ideas at the designated time, but most will have had a number of good ides at random and unexpected moments. **(Listening for content; communicating a thought in spoken form; critical thinking)**

- Have students locate Student Supplements 1 through 3. Explain that Student Supplement 1 discusses the tools for understanding the creative process. Read with students and discuss the terms presented: *paradigm, paradigm shift, paradigm shifter,* and *paradigm pioneer*. Then, read and discuss with students Student Supplement 2, which is an extended example of the terms discussed in Student Supplement 1. **(Reading/listening for content)**

- Read with students and discuss the information presented in Student Supplement 3, "Creating Opportunities for Creativity." Emphasize that this supplement lists the ways individuals can create opportunities for allowing the creative process to happen. **(Reading/listening for content)**

Suggested Activities

- Have students think of classes or jobs they have had that encouraged or discouraged creativity. Help them to analyze the specific differences between the environments that fostered creativity and those that stifled it. Help them to develop a list of ways to organize and manage a business that would be especially conducive to creativity. **(Communicating a thought in spoken form; critical thinking; creative thinking)**

- Invite successful inventors or innovators from your community to talk to your class about the nature of creativity. Ask them particularly to discuss where they get their ideas and if they keep journals or logs or use any other methods to stimulate their creativity and keep track of their thoughts. As a follow-up, have your students keep journals or logs to track their own creativity or use some alternate method suggested by the speakers. **(Listening for content; creative thinking; critical thinking)**

- Have students locate Assignment Sheet 1, "Analyze the Nature of a Recent Innovation." Read and discuss with students the introduction, reading assignment, activity checklist, and Analysis Check included in the assignment.

  This exercise asks students to collect articles about new innovations in products, services, and businesses. List for students titles of the various resources for entrepreneurial businesses. Discuss with students the formats of the various resource materials you have collected to be used with this assignment. Point out, for example, types of articles that appear monthly in trade magazines. **(Reading/listening for content and direction; learning how to learn)**

  Have students complete Assignment Sheet 1.

Objective 3 Distinguish between definitions of the aspects of logical thinking.

- Have students locate Objective 3 in the information sheet. Read and discuss with students the terms and definitions presented in this section of the information sheet: *analysis* and *evaluation.* Use Transparency 2 to illustrate your discussion.

Also, have students locate Student Supplement 4, "Tools of Logical Thinking." Read and discuss with students the terms presented in this supplement: *induction, deduction, scientific method, divergent thinking,* and *convergent thinking.* Emphasize the examples presented with each of these terms. **(Reading/listening for content)**

- Select a product/service that lends itself to analysis and evaluation by your students. As a classroom exercise, analyze and evaluate the product/service, pointing out when the students are using any of the tools of logical thinking. For instance, point out when they are using inductive or deductive logic, and when their logic might be faulty. **(Communicating a thought in spoken form; critical thinking)**

- Have students locate Assignment Sheet 2, "Use the Tools of Logical Thinking to Analyze a Situation." Read with students and discuss the introduction, reading assignment, and activity checklist included in this assignment. Answer any student questions, and have students complete Assignment Sheet 2. **(Reading/listening for direction)**

Objective 4 Define the aspects of quality thinking.

- Have students locate Objective 4 in the information sheet. Read and discuss with students the terms and definitions presented in this section of the information sheet: *conformance to specifications* and *customer satisfaction.* Use Transparency 2 to illustrate your discussion.

  Also, have students locate Student Supplement 5, "Tools of Quality Thinking" and Student Supplement 6, "The Problem-Solving Process." Read and discuss with students the terms presented in Supplement 5: *conformance to specifications, quality control, management by objectives, customer satisfaction, total quality management,* etc. Then discuss the problem-solving process used in the total quality management concept. Use Transparencies 3 through 5 to illustrate your discussion. **(Listening/reading for content)**

Suggested Activities

- To demonstrate that quality is relative, have your students select a general product they would like to buy or have been considering buying, such as a car, appliance, computer, or athletic shoes. Then, have students evaluate the various makes and models available in light of their individual needs to determine which model would offer them personally the greatest value. **(Communicating a thought in spoken form; critical thinking)**

- Lead a discussion in which you have your class apply the problem-solving process outlined in Student Supplement 6 to a product/service of their choosing. Lead the class to realize that quality is a process and not a product. **(Communicating a thought in spoken form; critical thinking)**

- Have students locate Assignment Sheet 3, "Apply the Problem-Solving Process to Improve the Quality of a Product or Service." Divide the class into groups of at least two. Read with students and discuss the introduction, reading assignment, and activity checklist included in this assignment sheet. Answer any student questions, and have students complete Assignment Sheet 3. **(Reading/listening for direction)**

Objective 5 Distinguish between definitions of the aspects of trustworthiness.

- Have students locate Objective 5 in the information sheet. Read and discuss with students the terms and definitions presented in this section of the information sheet: *integrity* and *competence.* Use Transparency 2 to illustrate your discussion.

  Also, have students locate Student Supplement 7, "The Importance of Trustworthiness to an Entrepreneurial Business." Read and discuss with students the information presented in the supplement. Then, ask your students to share their experiences with incompetent or unfair businesses. During the course of the discussion, lead students to explore the importance of repeat customers and a businessperson's standing in the community. **(Reading/listening for content; communicating a thought in spoken form; critical thinking)**

Suggested Activities

- Have students collect newspaper and magazine articles about businesspeople accused of unethical or illegal business activities, and conduct a class discussion in which you explore the possible short- and long-term consequences of the allegations. **(Reading/listening for content; communicating a thought in spoken form; critical thinking)**

- Have students locate Assignment Sheet 4, "Analyze the Trustworthiness of a Person You Admire." Read with students and discuss the introduction, reading assignment, activity checklist, and the Analysis Check included in the assignment. Answer any student questions, and have students complete Assignment Sheet 4. **(Reading/listening for direction)**

Objective 6 Match the characteristics of a person with business sense to their correct definitions.

- Have students locate Objective 6 in the information sheet. Read and discuss with students the terms and definitions presented in this section of the information sheet: *tenacious, realistic, able to minimize risks, mathematically inclined, able to judge value,* and *able to lead.* Use Transparency 2 to illustrate your discussion. **(Reading/listening for content)**

- Ask your students to share their experiences with someone they believe to have business sense. During the course of the discussion, lead students to explore the importance of the aspects of business sense and how business sense is an important counterbalance to creativity. **(Communicating a thought in spoken form; critical thinking)**

- Have students locate Assignment Sheet 5, "Analyze the Business Sense of an Entrepreneur in Your Community." Read with students and discuss the introduction, reading assignment, activity checklist, and the Interview Outline included in the assignment. Answer any student questions, and have students complete Assignment Sheet 5. **(Reading/listening for direction)**

Suggested Activities

Assignment Sheet 6 Profile the entrepreneurial thinking skills of a successful entrepreneur.

- Using Transparency 2 to illustrate your discussion, again emphasize to students that successful entrepreneurs must be able to integrate all of the five thinking skills outlined in this unit—creative thinking, logical thinking, quality thinking, trustworthiness, and business sense. Explain, also, that by completing this assignment students will be able to study how one successful entrepreneur has been able to do so. **(Reading/listening for content)**

- Have students locate Assignment Sheet 6. Read and discuss with students the introduction and activity checklist included in the assignment. Answer any student questions and have students complete Assignment Sheet 6. **(Reading/listening for direction)**

Evaluation

- Evaluate assignment sheets. See the evaluation criteria listed at the top of each assignment sheet as well as the teacher page "Answers to Assignment Sheets."

- Give the written test. See the teacher page "Written Test."

- Evaluate the written test. See the teacher page "Answers to Written Test."

- Compile written-test and assignment-sheet scores. See the teacher page "Unit Evaluation Form."

- Reteach and retest as required.

Suggested resources

Resources used in developing this unit

Print media

- Barker, Joel Arthur. *Future Edge: Discovering the New Paradigms for Success.* New York: William Morrow, 1992.

- Brocka, Bruce, and M. Suzanne Brocka. *Quality Management: Implementing the Best Ideas of the Masters.* Homewood, Illinois: Business One Irwin, 1992.

- Covey, Stephen R. *Principle-Centered Leadership*. New York: Summit Books, 1990.
- Dyer, W. Gibb, Jr. *The Entrepreneurial Experience: Confronting Career Dilemmas of the Start-Up Executive*. San Francisco: Jossey-Bass, 1992.
- Ernst and Young Quality Improvement Consulting Group. *Total Quality*. Homewood, Illinois: Business One Irwin, 1990.
- Gies, Frances, and Joseph Gies. *Cathedral, Forge, and Waterwheel: Technology and Invention in the Middle Ages*. New York: Harper Collins, 1994.
- Hawken, Paul. *Growing a Business*. New York: Fireside, 1987.
- Moorman, Jerry W., and James W. Halloran. *Entrepreneurship*. Cincinnati: South-Western, 1993.
- Pinchot, Gifford, III. *Intrapreneuring: Why You Don't Have to Leave the Corporation to Become an Entrepreneur*. New York: Harper and Row, 1985.
- United States Department of Education. *Training Handbook*. Arlington, Virginia: United States Department of Education, Division of Quality Assurance, Institutional Quality Control Project, August, 1992.

Suggested supplemental resources

Nonprint media

- *Discovering the Future* is a three-video series narrated by futurist Joel A. Barker and distributed by Excellence in Training, 11358 Aurora Avenue, Des Moines, Iowa; phone 1-800-747-6569. Individual titles in this series are listed below.
  - "The Business of Paradigms"
  - "Paradigm Pioneers"
  - "The Power of Vision"

Entrepreneurial Thinking

Instructor's Lesson Checklist

The instructor should read the Suggested Activities teacher pages for a complete lesson plan and specific suggestions for teaching each objective in this unit of instruction. The checklist below is provided only as a convenience to the instructor in collecting student and teacher components when teaching the unit lessons.

Lesson 1 Creative Thinking

- Student components

______ 1. Objective Sheet, Specific Objective 1, Match major aspects of entrepreneurial thinking to their correct definitions

______ 2. Objective Sheet, Specific Objective 2, Distinguish between definitions of the aspects of creative thinking

______ 3. Information Sheet, Objective 1, Major aspects of entrepreneurial thinking and their definitions

______ 4. Information Sheet, Objective 2, Aspects of creative thinking and their definitions

______ 5. Student Supplement 1, Tools for Understanding the Creative Process

______ 6. Student Supplement 2, An Example of How to Analyze the Creative Process

______ 7. Student Supplement 3, Creating Opportunities for Creativity

______ 8. Assignment Sheet 1, Analyze the Nature of a Recent Innovation

- Teacher components

______ 1. Transparency Master 1, Major Aspects of Entrepreneurial Thinking

______ 2. Transparency Master 2, Major Aspects of Entrepreneurial Thinking (Continued)

Instructor's Lesson Checklist

Lesson 2 Logical Thinking

- Student components

  ______ 1. Objective Sheet, Specific Objective 3, Distinguish between definitions of the aspects of logical thinking

  ______ 2. Information Sheet, Objective 3, Aspects of logical thinking and their definitions

  ______ 3. Student Supplement 4, Tools of Logical Thinking

  ______ 4. Assignment Sheet 2, Use the Tools of Logical Thinking to Analyze a Situation

- Teacher components

  ______ 1. Transparency Master 2, Major Aspects of Entrepreneurial Thinking (Continued)

Lesson 3 Quality Thinking

- Student components

  ______ 1. Objective Sheet, Specific Objective 4, Define the aspects of quality thinking

  ______ 2. Information Sheet, Objective 4, Aspects of quality thinking and their definitions

  ______ 3. Student Supplement 5, Tools of Quality Thinking

  ______ 4. Student Supplement 6, The Problem-Solving Process

  ______ 5. Assignment Sheet 3, Apply the Problem-Solving Process to Improve the Quality of a Product or Service

- Teacher components

  ______ 1. Transparency Master 2, Major Aspects of Entrepreneurial Thinking (Continued)

  ______ 2. Transparency Master 3, Information Flow in a Traditional Management System

  ______ 3. Transparency Master 4, Information Flow in a Customer-First System

  ______ 4. Transparency Master 5, The Problem-Solving Process

Instructor's Lesson Checklist

Lesson 4 Trustworthiness

- Student components

______ 1. Objective Sheet, Specific Objective 5, Distinguish between definitions of the aspects of trustworthiness

______ 2. Information Sheet, Objective 5, Aspects of trustworthiness and their definitions

______ 3. Student Supplement 7, The Importance of Trustworthiness to an Entrepreneurial Business

______ 4. Assignment Sheet 4, Analyze the Trustworthiness of a Person You Admire

- Teacher component

______ 1. Transparency Master 2, Major Aspects of Entrepreneurial Thinking (Continued)

Lesson 5 Business Sense

- Student components

______ 1. Objective Sheet, Specific Objective 6, Match the characteristics of a person with business sense to their correct definitions

______ 2. Information Sheet, Objective 6, Characteristics of a person with business sense and their definitions

______ 3. Assignment Sheet 5, Analyze the Business Sense of an Entrepreneur in Your Community

- Teacher component

______ 1. Transparency Master 2, Major Aspects of Entrepreneurial Thinking (Continued)

Instructor's Lesson Checklist

Lesson 6 Portfolio Assignment

- Student component

______ 1. Assignment Sheet 6, Profile the Entrepreneurial Thinking Skills of a Successful Entrepreneur

- Teacher component

______ 1. Transparency Master 2, Major Aspects of Entrepreneurial Thinking (Continued)

Entrepreneurial Thinking

Answers to Assignment Sheets

Assignment Sheets 1 through 6

Student performance should be evaluated according to the criteria listed on each assignment sheet.

Evaluator's note: There are no right or wrong answers to these assignment sheets. In evaluating these assignments, the evaluator should look for seriousness of effort and completeness rather than for "correctness."

Entrepreneurial Thinking

Answers to Written Test

1. a. 2
   b. 3
   c. 1
   d. 5
   e. 4

2. a. Innov
   b. Int

3. a. Eval
   b. An

4. a. Perception of quality from the maker's or provider's point of view
   b. Perception of quality from the customer's point of view; customer-first thinking

5. a. In
   b. Com

6. a. 4
   b. 1
   c. 5
   d. 6
   e. 3
   f. 2

Entrepreneurial Thinking

Written Test

Name ______________________________ Score ______________

1. Match major aspects of entrepreneurial thinking to their correct definitions. Write the numbers on the blanks.

______a. Process of gathering factual evidence, analyzing it, and evaluating it

______b. Process of determining the overall merit of a product/service as determined either by its conformance to specifications or by customer satisfaction

______c. Process of imagining and producing original methods and tools for understanding the world and dealing with it

______d. Ability to judge customers' wants and what customers will pay to satisfy those wants

______e. Ability to earn the confidence of others based on a combination of integrity and competence

1. Creative thinking
2. Logical thinking
3. Quality thinking
4. Trustworthiness
5. Business sense

2. Distinguish between definitions of the aspects of creative thinking. Put an "Innov" on the blank before the definition of *innovation* and an "Int" on the blank before the definition of *intuition.*

______a. Two-stage process consisting first of *invention* and second of *application*

______b. Ability to make quick, accurate judgments without factual evidence or, sometimes, contradictory to the factual evidence

3. Distinguish between definitions of the aspects of logical thinking. Put an "An" on the blank before the definition of *analysis* and an "Eval" on the blank before the definition of *evaluation.*

______a. Process of determining the relative merits and weaknesses of an object, process, or theory

______b. Process of breaking down an object, process, or theory into its basic parts in order to understand it

Written Test

4. Define the aspects of quality thinking. Write your answers on the blanks provided beside each of the terms below.

   a. Conformance to specifications ____

   ____

   b. Customer satisfaction ____

   ____

5. Distinguish between definitions of the aspects of trustworthiness. Put an "In" on the blank before the definition of *integrity* and a "Com" on the blank before the definition of *competence*.

   ______a. Personal quality characterized by honesty and reliability; quality demonstrated by a person who is firmly committed to and behaves according to strict moral and ethical codes

   ______b. Mental and physical abilities to perform a specific task or job

6. Match the characteristics of a person with business sense to their correct definitions. Write the numbers on the blanks.

   ______a. Having a tendency or disposition to like numbers and their operations

   ______b. Persistently maintaining or adhering to something valued

   ______c. Evaluating the quality of a product/service in relation to its price—the higher the quality and the lower the price, the greater the value

   ______d. Contributing positively to an organization's purposes and goals

   ______e. Recognizing the potential risks of an enterprise and planning carefully to reduce them

   ______f. Accurately judging both the good and bad qualities of an object or concept without idealization

   1. Tenacious
   2. Realistic
   3. Able to minimize risks
   4. Mathematically inclined
   5. Able to judge value
   6. Able to lead

Permission to duplicate this test is granted.

Entrepreneurial Thinking

Unit Evaluation Form

Student name ______________________________ Unit rating __________

Assignment-sheet ratings

Assignment Sheet 1—Analyze the Nature of a Recent Innovation Rating ______

Comments: ____

____

Assignment Sheet 2—Use the Tools of Logical Thinking to Analyze a Situation Rating ______

Comments: ____

____

Assignment Sheet 3—Apply the Problem-Solving Process to Improve the Quality of a Product or Service Rating ______

Comments: ____

____

Assignment Sheet 4—Analyze the Trustworthiness of a Person You Admire Rating ______

Comments: ____

____

Assignment Sheet 5—Analyze the Business Sense of an Entrepreneur in Your Community Rating ______

Comments: ____

____

Unit Evaluation Form

Assignment Sheet 6—Profile the Entrepreneurial Thinking Skills of a Successful Entrepreneur Rating ______

Comments: ____

____

Written-test scores

Pretest ______ Posttest ______ Other ______

Comments: ____

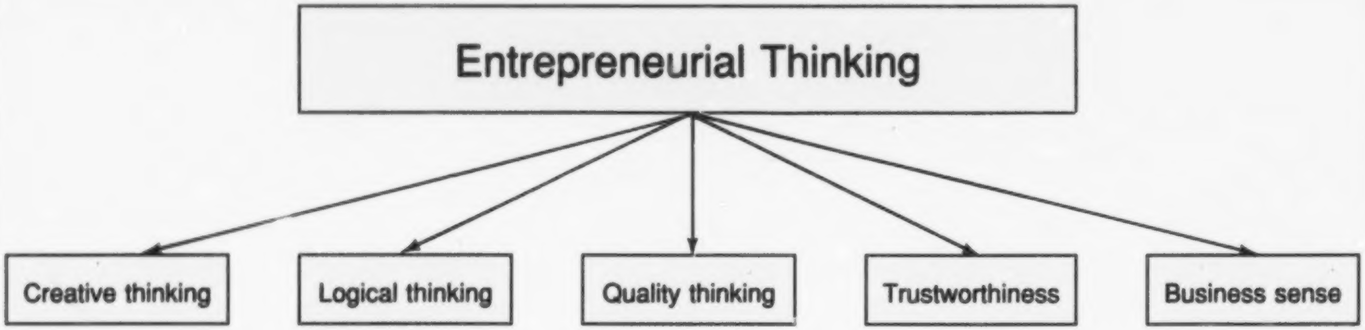
____

Teacher signature ______________________ Date ____________

Student signature ______________________ Date ____________

Permission to duplicate this form is granted.

Major Aspects of Entrepreneurial Thinking



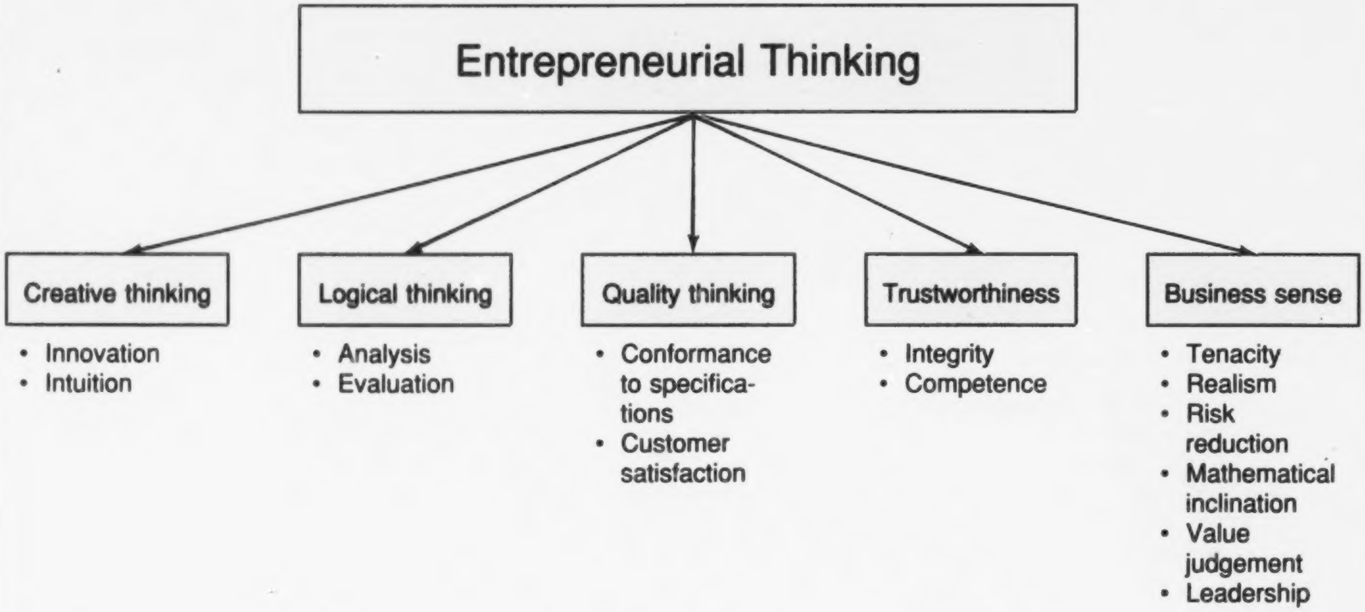
Entrepreneurial Thinking

- Creative thinking
- Logical thinking
- Quality thinking
- Trustworthiness
- Business sense

Entrepreneurial Thinking
Teacher Page 23

TM 1

Major Aspects of Entrepreneurial Thinking
(Continued)



Entrepreneurial Thinking

Creative thinking
- Innovation
- Intuition

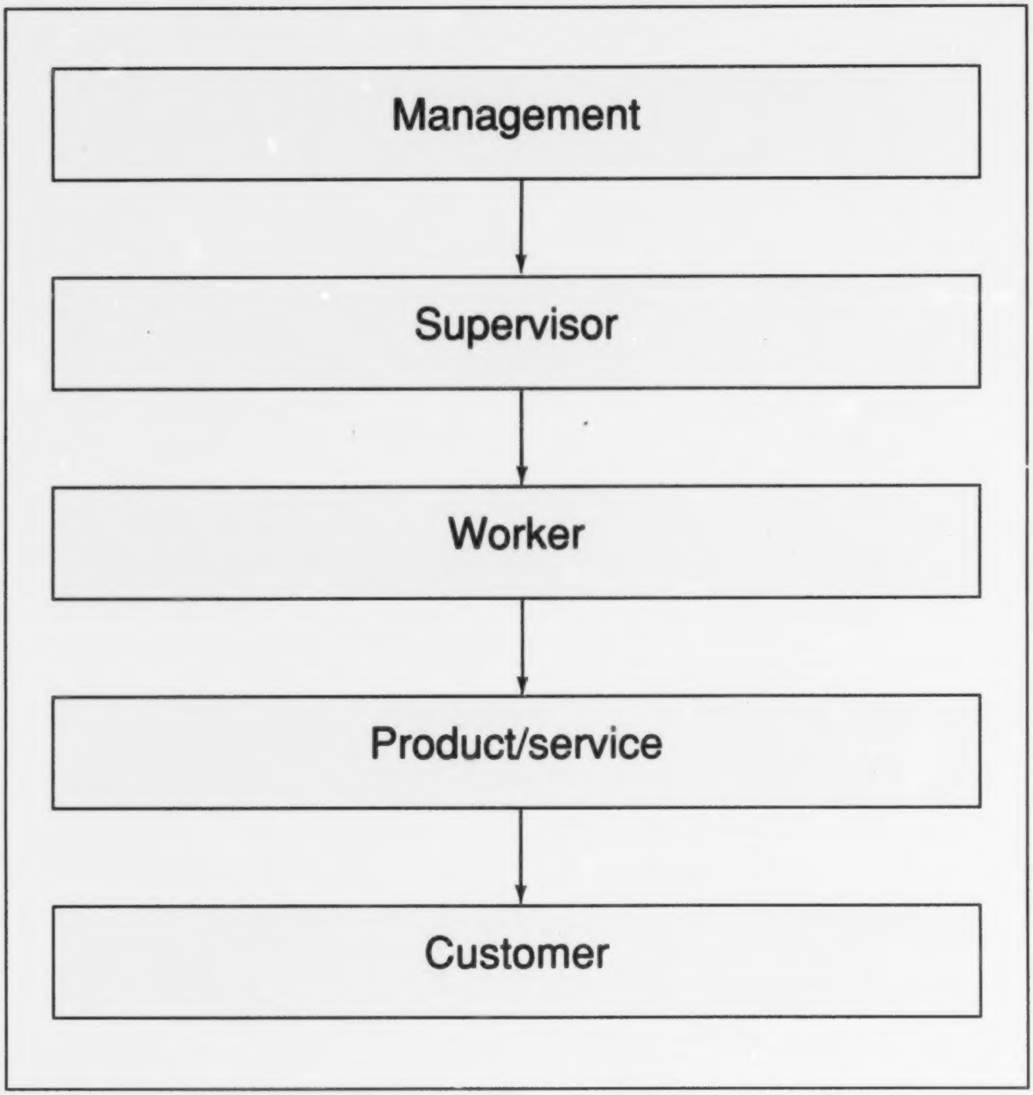
Logical thinking
- Analysis
- Evaluation

Quality thinking
- Conformance to specifications
- Customer satisfaction

Trustworthiness
- Integrity
- Competence

Business sense
- Tenacity
- Realism
- Risk reduction
- Mathematical inclination
- Value judgement
- Leadership

Information Flow in a Traditional Management System



Management

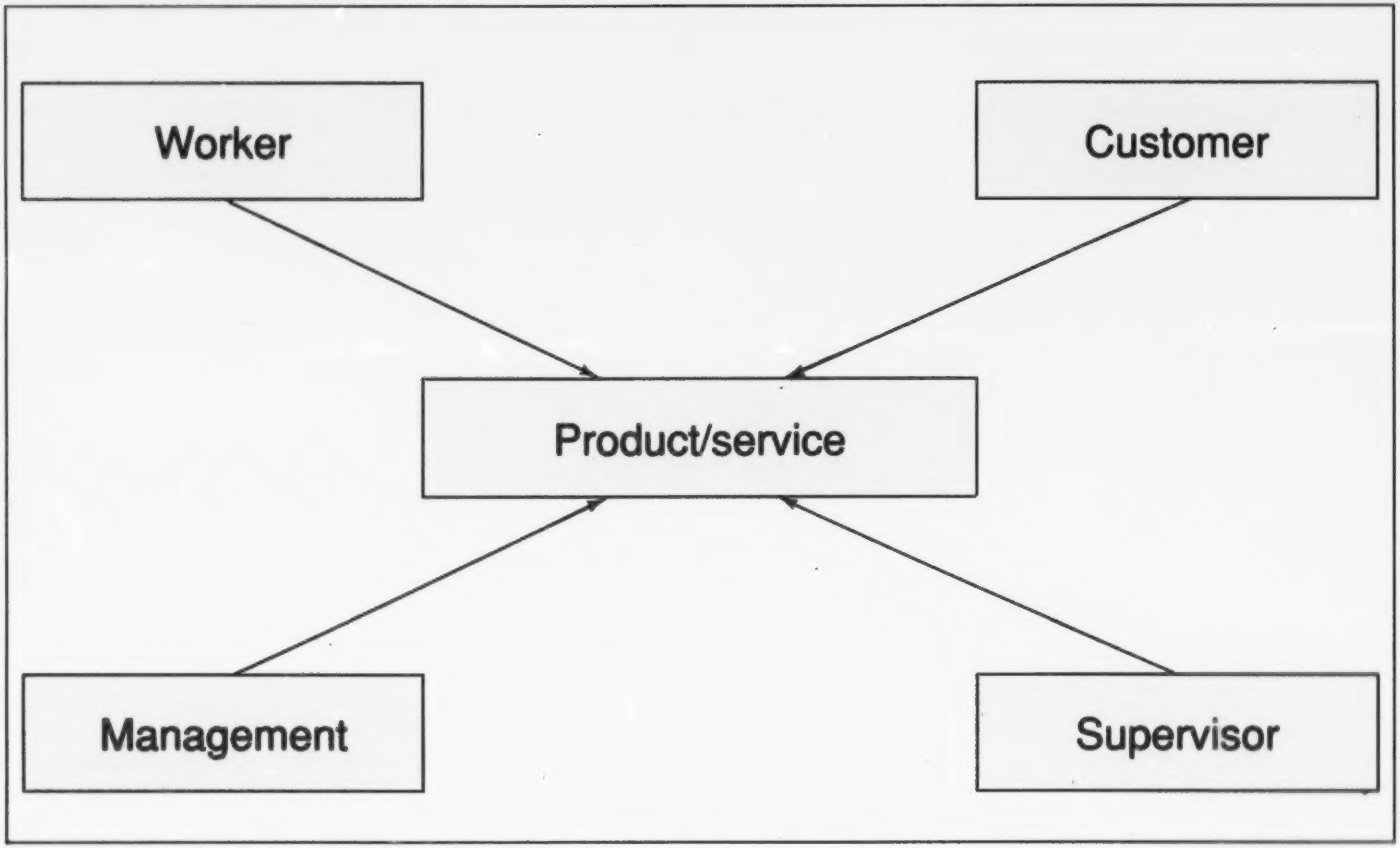
Supervisor

Worker

Product/service

Customer

Information Flow in a Customer-First System


Worker

Customer

Product/service

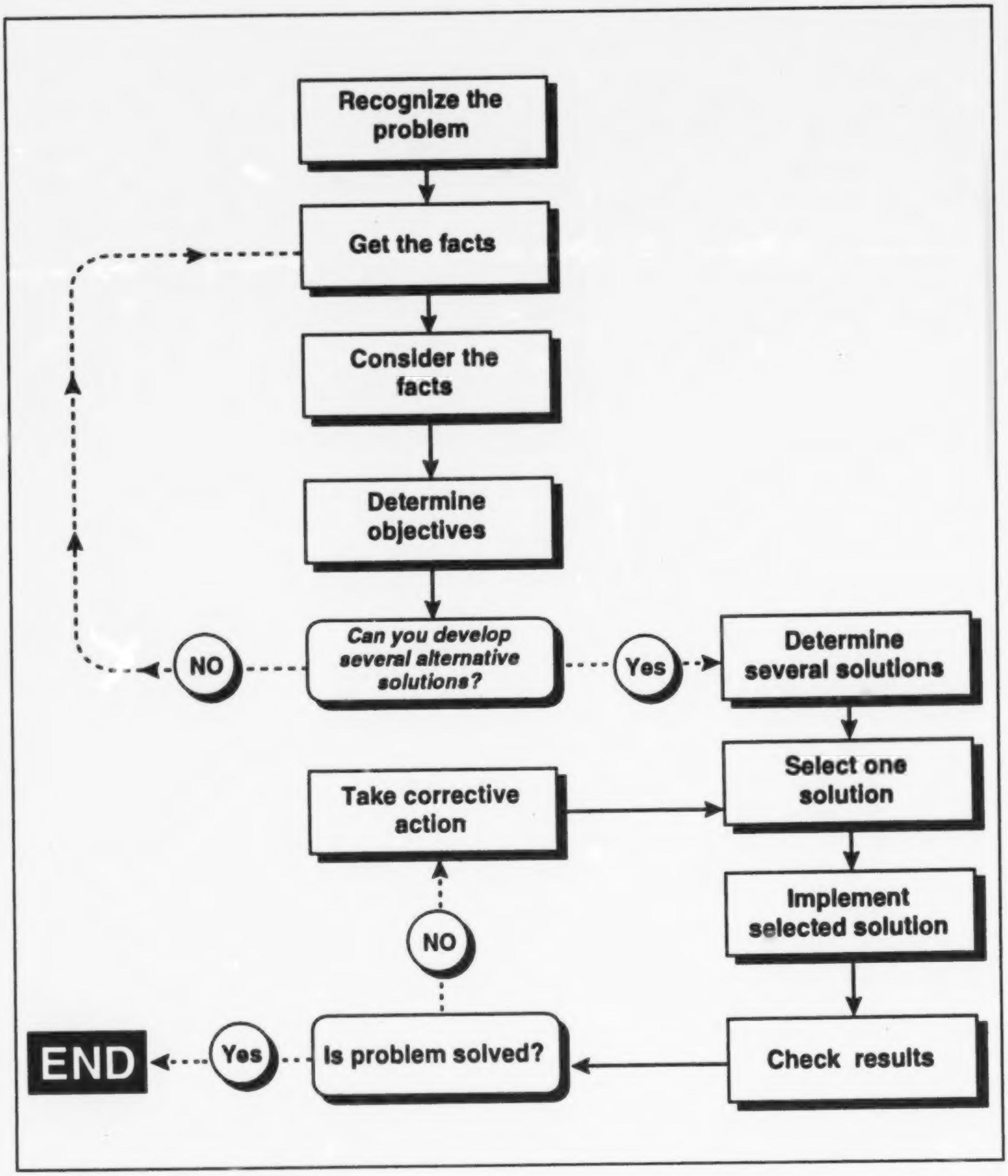
Management

Supervisor

Entrepreneurial Thinking
Teacher Page 29

TM 4

The Problem-Solving Process



Recognize the problem

Get the facts

Consider the facts

Determine objectives

Can you develop several alternative solutions?

NO

Yes

Determine several solutions

Select one solution

Implement selected solution

Check results

Is problem solved?

NO

Take corrective action

Yes

END

The Entrepreneurial Workplace

Suggested Activities

Instructional plan

Preparation

- Review the unit and plan your presentation. Study the specific objectives to determine the order in which you will present the objectives.

  Review the unit introduction and teaching suggestions included in the delivery and application section below and plan classroom activities.

  Plan your presentation to take advantage of student learning styles and to accommodate special-needs students.

- Review Assignment Sheet 3, "Profile Employee Perceptions of Their Workplace Environment," and Assignment Sheet 4, "Analyze the Workplace Environment of an Entrepreneurial Business." These assignments call for students to interview employees and entrepreneurs in the local community. Therefore, you will need to create and have available for students a list of local entrepreneurs and employees who will cooperate with students in completing these assignments.

  Assignment Sheet 4 is the portfolio assignment in this unit. See Teacher Supplement 1 in the teacher pages of "What Is an Entrepreneur?" and determine the format you prefer to have students use in completing this portfolio assignment.

- Obtain films, videotapes, and other media to supplement instruction of this unit. See ordering information in the suggested resources section below.

  See the teaching suggestions for Objectives 7 and 8 below and order the videos suggested, or locate similar presentations. Prepare a video check (question sheet) for each video to make sure that students comprehend the main points presented in each video.

- Select the teacher components (teacher supplement, written test, unit evaluation form) you want to distribute to your students. Copy and prepare these components for distribution.

Suggested Activities

- Prepare the classroom. Put up posters and charts and display articles and other references related to the objectives of this unit.
- Review the teacher page "Instructor's Lesson Checklist."

Delivery and application

Unit introduction

- Have students locate the objective sheet. Discuss the unit and specific objectives.

Teaching suggestions

The skill areas appearing in bold-face type in the teaching suggestions refer to the academic and workplace skills identified by the American Society of Training and Development (ASTD) and the U.S. Department of Labor. These have been adapted by MAVCC.

Objective 1 Define the term *workplace environment*. **Objective 2** List factors affecting the current workplace environment in the United States. **Objective 3** Define the term *economics*. **Objective 4** Define the term *free-enterprise system*. **Objective 5** Define the term *entrepreneur*. **Objective 6** Discuss the role of the entrepreneur in a free-enterprise system.

- Have students locate Objectives 1 through 6 in the information sheet. Read and discuss with students the information presented in the information sheet.

  Have students locate Assignment Sheet 1, "Determine the Factors Affecting the Current Workplace Environment in the United States." Read and discuss with students the introduction to the assignment sheet and the reading assignment, activity checklist, and Reading Check 1 in Part A of the assignment.

  Have students read Student Supplement 1, "Basic Economics."

  Have students complete the activity checklist for Part A of the assignment.

  (Reading/listening for content; communicating facts in spoken form in a clear, concise manner; reading/listening for direction)

Suggested Activities

Objective 7 Define the term *intrapreneur.* **Objective 8** Discuss the role of the intrapreneur in the current workplace environment.

- Have students locate Objectives 7 and 8 in the information sheet. Read and discuss with students the information presented in the information sheet.

  Have students locate Part B of Assignment Sheet 1. Read and discuss with students the reading assignment, activity checklist, and Reading Check 2 in Part B of the assignment.

  Have students read Student Supplement 2, "A Company of Businesspeople."

  Have students complete the activity checklist for Part B of the assignment.

  Show the video *Productive Workplaces: Change Strategies for the 21st Century.* Hand out a video check for students to use while they are viewing the video. Discuss the video check with students to make sure they have understood the main points in the video.

  (Reading/listening for content; communicating facts in a written or spoken form in a clear, concise manner; reading/listening for direction)

- Have students locate Part C of Assignment Sheet 1. Read and discuss with students the reading assignment, activity checklist, and Reading Checks 3 and 4 in Part C of the assignment.

  Have students read Student Supplement 3, "Future Force," and Student Supplement 4, "Managing a Diverse Workforce."

  Have students complete the activity checklist for Part C of the assignment.

  Show selected modules from the video *Beyond Diversity: Managing Interpersonal Differences.* Hand out a video check for students to use while they are viewing the video. Discuss the video check with students to make sure they have understood the main points in the video.

  (Reading/listening for content; communicating facts in a written or spoken form in a clear, concise manner; reading/listening for direction)

Suggested Activities

- After students have completed Assignment Sheet 1 and watched the video presentations, lead a discussion in which students list on the chalkboard the various factors affecting the current workplace environment they have found by completing these activities. **(Communicating facts in spoken form in a clear, concise manner)**

Assignment Sheet 2 Practice intrapreneurial skills

- Have students locate Assignment Sheet 2. In this assignment, students will practice the skills they have determined intrapreneurs must have in today's business environment. They will be responsible for using limited resources to make decisions to satisfy their needs and wants as employees.

  Hand out copies of Teacher Supplement 1 and discuss with students the steps in the problem-solving method. Students may find this model helpful in solving the problems presented in the scenario in Assignment Sheet 2.

  Read and discuss with students the introduction to the assignment sheet and the reading assignment, activity checklist, and the scenario in the exercise of the assignment. Answer student questions and have students complete the assignment.

  (Reading/listening for content; reading/listening for direction; communicating facts in a written or spoken form in a clear, concise manner)

- When students have completed Assignment Sheet 2, have them make an oral presentation in which they present their benefits packages to the class and explain why they selected the benefits they did. **(Communicating facts in spoken form in a clear, concise manner)**

Assignment Sheet 3 Profile employee perceptions of their workplace environment

- Have students locate Assignment Sheet 3. Read and discuss with students the introduction to the assignment sheet and the reading assignment, activity checklist, and analysis check in the exercise of the assignment. Answer student questions and have students complete the assignment. **(Reading/listening for content; reading/listening for direction; communicating facts in a written or spoken form in a clear, concise manner.)**

Suggested Activities

- When students have completed Assignment Sheet 3, have them make an oral presentation in which they compare and contrast the viewpoints of the two employees they interviewed. **(Communicating facts in spoken form in a clear, concise manner)**

Assignment Sheet 4 Analyze the workplace environment of an entrepreneurial business

- Have students locate Assignment Sheet 4. Explain to students that this assignment is a portfolio assignment. Discuss the guidelines you want students to follow in completing the portfolio.

  Read and discuss with students the introduction to the assignment sheet, the activity checklist, and the interview outline in the exercise of the assignment. Answer student questions and have students complete Assignment Sheet 4.

  (Reading/listening for content; reading/listening for direction; communicating facts in a written or spoken form in a clear, concise manner.)

Evaluation

- Evaluate assignment sheets. See the evaluation criteria listed at the top of each assignment sheet as well as the teacher page "Answers to Assignment Sheets."
- Give the written test. See the teacher page "Written Test."
- Evaluate the written test. See the teacher page "Answers to Written Test."
- Compile written-test and assignment-sheet scores. See the teacher page "Unit Evaluation Form."
- Reteach and retest as required.

Suggested resources

Resources used in developing this unit

Print media

- Acs, Joltan J. "Small Business Economics: A Global Perspective," *Challenge*, November/December 1992.
- Case, John. "A Company of Businesspeople," *Inc.*, April 1993.

Suggested Activities

- Crummett, Dan M., and Jerrie Crummett. *Introduction to International Trade.* Stillwater, Oklahoma: Mid-America Vocational Curriculum Consortium, Inc., 1994.
- Jamieson, David, and Julie O'Mara. *Managing Workforce 2000: Gaining the Diversity Advantage.* San Francisco: Jossey-Bass Publishers, 1991.
- Kotite, Erika. "Future Force," *Entrepreneur, June 1991.*
- Loden, Marylin, and Judy B. Rosener. *Workforce America!: Managing Employee Diversity.* Homewood, Illinois: Business One/Irwin, 1991.

Suggested supplemental resources

Nonprint media

- *Beyond Diversity: Managing Interpersonal Differences.* Menniger Management Institute, phone 1-800-288-0318.

  Beyond Diversity is a four-module video program that focuses on the sources of individual differences, the dynamics of interpersonal relationships, and strategies for successful management. Module titles are

  Module 1: "Open for Business"

  Module 2: "The Americans with Disabilities Act"

  Module 3: "Hidden Assets: Empowering America's Workers"

  Module 4: "Team Excellence"

- *Productive Workplaces: Change Strategies for the 21st Century.* Blue Sky Productions, Inc., 5918 Pulaski Avenue, Philadelphia, Pennsylvania 19144, phone 215-844-4444.

  Productive Workplaces deals with issues of employee empowerment and whole-system improvements in business organizations.

  Other titles available from Blue Sky Production and dealing with similar topcs are

  — *Supervisors: The Changing Role of Supervision in the Workplace*

  — *Managers, Workers, and Supervisors Speak Out on the Changing Workplace*

Suggested Activities

Sources for other supplemental resources

- The American Institute for Managing Diversity, Inc.
  Terry Kruzan, Associate Director
  P.O. Box 38
  830 Westview Drive, SW
  Atlanta, Georgia 30314
  404-524-7316

  Serves as a center for applied research and education on managing employee diversity in the workforce.

- Catalyst
  Sabrina Schmidt Gordon, Referral Coordinator
  250 Park Avenue South, 5th Floor
  New York, New York 10003-1459
  212-777-8900

  Works with corporations to foster the career and leadership development of women.

- The Families and Work Institute
  Elen Galinsky and Dana Friedman
  330 Seventh Avenue
  New York, New York 10001
  212-465-2004

  Serves as a national clearinghouse and center for policy research on work and family life.

The Entrepreneurial Workplace

Instructor's Lesson Checklist

The instructor should read the Suggested Activities teacher pages for a complete lesson plan and specific suggestions for teaching each objective in this unit of instruction. The checklist below is provided only as a convenience to the instructor in collecting student and teacher components when teaching the unit lessons.

Lesson 1 Determine the Factors Affecting the Current Workplace Environment in the United States

- Student components

______ 1. Objective Sheet, Specific Objectives 1 through 8

______ 2. Information Sheet, Objectives 1 through 8

______ 3. Student Supplement 1, Basic Economics

______ 4. Student Supplement 2, "A Company of Businesspeople"

______ 5. Student Supplement 3, "Future Force"

______ 6. Student Supplement 4, Managing a Diverse Workforce

______ 7. Assignment Sheet 1, Determine the Factors Affecting the Current Workplace Environment in the United States

Lesson 2 Practice Intrapreneurial Skills

- Student components

______ 1. Objective Sheet, Specific Objective 7, Define the term *intrapreneur*

______ 2. Objective Sheet, Specific Objective 8, Discuss the role of the intrapreneur in the current workplace environment

______ 3. Information Sheet, Objective 7, Definition of the term *intrapreneur*

______ 4. Information Sheet, Objective 8, Role of the intrapreneur in the current workplace environment

______ 5. Answer sheets to Reading Check 2 from Assignment Sheet 1

Instructor's Lesson Checklist

Lesson 2 (cont.)

_____ 6. Answer sheets to Reading Check 3 from Assignment Sheet 1

_____ 7. Answer sheets to Reading Check 4 from Assignment Sheet 1

_____ 8. Assignment Sheet 2, Practice Intrapreneurial Skills

- Teacher component

_____ 1. Teacher Supplement 1, The Problem-Solving Method

Lesson 3 Profile Employee Perceptions of Their Workplace Environment

- Student components

_____ 1. Answer sheets to Reading Check 4 from Assignment Sheet 1

_____ 2. Assignment Sheet 3, Profile Employee Perceptions of Their Workplace Environment

Lesson 4 Portfolio Assignment

- Student component

_____ 1. Assignment Sheet 4, Analyze the Workplace Environment of an Entrepreneurial Business

The Entrepreneurial Workplace

Answers to Assignment Sheets

Assignment Sheet 1

Student performance should be evaluated according to the criteria listed on the assignment sheet. Individual items on the assignment sheet should be evaluated using the information below.

Part A: Answers to Reading Check 1

1. The study of how people use their limited resources to satisfy their needs and wants.

2. Resources are the things we use to make or get the things we need and want.

   Land involves the soil on which food crops are grown, plants, animals, forests, water, minerals, a favorable climate, and energy sources such as petroleum, hydro-electric or geothermal power, coal, or nuclear capacity.

   Labor includes the human workforce needed to produce goods/services and includes both mental and physical effort.

   Capital represents the machines, buildings, tools, communication networks and power distribution systems the workforce uses to produce goods/services—things made by people.

3. Economic system in which allocation of resources and production and consumption questions are answered by consumers in a marketplace that includes competition, profit, private property, and freedom of exchange.

4. An entrepreneur is a person who attempts to earn money and make profits by taking the risk of owning and operating a business. Entrepreneurs play a vital part in the free-enterprise system. Without entrepreneurs, land, labor, and capital would only be resources. Once they are organized by an entrepreneur and used in a business venture, however, these resources can produce goods/services, thereby creating new wealth. Entrepreneurs, then, are the human element required in the economic activity of free enterprise.

Answers to Assignment Sheets

Part B: Answers to Reading Check 2

Section 1

1. Drawing should look like any standard organizational chart typically arranged by the managerial-hierarchy concept. See the artwork in Figure 1, Student Supplement 5, "Tools of Quality Thinking," in the student pages of "Entrepreneurial Thinking."

2. During the Industrial Age, large multiunit companies were created to supply huge new national markets. Each company consisted of divisions and departments forming the managerial hierarchy. Most employees had little schooling, their wages were usually determined by some form of piece rate, and businesses were adding and replacing employees all the time. This type of management concept was very successful in dealing with the factors that made businesses successful in the marketplace of this time and has influenced the business environment from 1890 to the present.

3. a. A job must be defined as narrowly as possible.

   b. Workers need close, direct supervision.

Section 2

1. The mind-set's most visible manifestation is the feeling of us against them, management against labor, bosses against workers.

   To an employee, the most important facets of any workplace are "my job" and "my boss." Doing the job well and satisfying the boss constitute success at work. Doing anything else may interfere with those goals, leading employees to the ready-made excuses "It's not my job" and "I didn't know I was supposed to do that."

   Management periodically screws up, and employees get conflicting instructions.

   No manager can specify what to do in every eventuality, yet employees may decide to do exactly as they are told and nothing more.

2. During the years since 1980, international competition from foreign-owned companies and the new "information technology" have changed the marketplace. Changes in the marketplace have proved the shortcomings of the managerial-hierarchy concept in two critical areas:

(1) quality and service and (2) innovation. The managerial hierarchy did not create an environment where employees could learn how to do things better, cheaper, and faster, and in the new marketplace, this is a company's critical resource. Therefore, a new management concept is developing for dealing with the new factors in the marketplace.

Section 3

1. The common mind-set, when written in a mission statement, might read:

   a. This is a company of owners, of partners, of businesspeople. We are in business together. We will share in the rewards just as—by definition—we share in the risks.

   b. No one in this company is just an employee. We encourage every employee to think like owners.

2. First, people at all levels have to be able to make decisions, and the company must be structured to encourage it.

   Second, people need the information necessary to make intelligent decisions.

   Third, employees need training.

   Fourth, people need a stake in the outcome of their decisions—and in the company itself.

3. Employees develop a different attitude toward the requirements of the marketplace.

   Motivation in the new companies comes from within, not from without.

   Companies have a broader range of options for coping with a down market.

4. Companies making the change to open-book management will run into inevitable difficulties: new ways of thinking and doing things create chaos and strain, both emotional and organizational.

In general, the process of change will be messy. Compensation systems or training programs developed in one context won't work in another. Companies will have to learn by dozens of trials and errors what's best for them.

People in prospering companies will find immense opportunities for rewarding work and for making money. Those in stagnant or failing companies will face dead-end jobs and continuing insecurity. Government and business will have to find ways of stabilizing the situation.

Part C: Answers to Reading Check 3

1. **Baby boomers**. By the year 2000, 72 percent of the workers will be between the ages of 25 and 54, showing a 20.5 percent increase from 1988. This age group includes the heart of the boomers (ages 36 to 55) who will be in their peak working years.

   This group will be the "sandwich generation" concerned with providing resources for college-age children and providing care for their parents. Besides issues of care-giving, boomers will also be concerned with retirement and health benefits and pension plans.

   Women. Nearly 63 percent of women aged 16 and older will participate in the workforce in 2000, up from 57 percent in 1988. The female worker will make up nearly half (47 percent) of the entire labor pool.

   The rising number of women in the workforce will profoundly affect management style, and put issues such as parental leave, day care, and flexible scheduling in the forefront of small-business planning.

   Minority force. Minorities such as blacks, Hispanics, and Asians will account for about 33 percent of all new job entrants. An integrated workforce provides creativity and a broader perspective on work. But it will also be more difficult for employers to know their workers' needs and expectations and keep a consistent level of education.

2. People with disabilities and the elderly

Answers to Assignment Sheets

3. While employers search for skilled and experienced workers, workers, in turn, will be doing their own shopping. They'll look for jobs with benefits that will be a strong pull to quality employees. By the same token, workers will need to know how much programs like these cost, and take responsibility for shouldering part of the burden, or opting for one benefit over another.

   Environmental concern will be important in the future. Concerned employees will insist on a safe, "green" workplace. Once again, giving employees some decision-making power—for example, getting them to list what they want changed or added, then figuring out the cost, and ways to pay—will become a normal management style.

Answers to Reading Check 4

1. Composed of unlike or distinct elements

2. There are two categories that describe the ways in which we differ from each other—core differences and changeable differences. Core differences include age, gender, physical ability, and race. Changeable differences include educational background, marital status, military experience, parental status, religious beliefs, work experience, geographic location, and wealth. The core differences cannot be changed. Changeable differences are acquired, changed, and discarded as we go through life.

3. Nurture respect and eliminate stereotypes and prejudice.

   Do not tolerate inappropriate language.

   Identify shared pinciples.

   Create an atmosphere where no one feels threatened.

   Model appropriate behaviors and ensure that policies reflect commitment to diversity.

4. Understanding that they are the ongoing catalyst and model for building a supportive, congenial workplace environment.

   Realizing they have an ethical commitment to fairness and the elimination of all types of workplace discrimination.

   Recognizing their daily actions and decisions reflect on how committed they are to valuing employee diversity.

Answers to Assignment Sheets

Ensuring the organization's systems and procedures reflect their commitment to valuing employee diversity.

Monitoring numerical trends for recruitment and promotion to ensure that policies reflect that diversity is valued.

Providing a diversity awareness program.

Assignment Sheet 2

Student performance should be evaluated according to the criteria listed on the assignment sheet.

Evaluator's note: There are no right or wrong answers to the items in this assignment sheet. In evaluating this assignment, the evaluator should look for seriousness of effort and completeness rather than for "correctness."

Assignment Sheet 3

Student performance should be evaluated according to the criteria listed on the assignment sheet.

Evaluator's note: There are no right or wrong answers to the items in this assignment sheet. In evaluating this assignment, the evaluator should look for seriousness of effort and completeness rather than for "correctness."

Assignment Sheet 4

Student performance should be evaluated according to the criteria listed on the assignment sheet.

Evaluator's note: See Teacher Supplement 1 in the teacher pages of "What Is An Entrepreneur?" for evaluation suggestions for the portfolio project.

The Entrepreneurial Workplace

Answers to Written Test

1. All the social and cultural conditions that influence the workplace

2. - Changing economic conditions
   - Changing management concepts
   - Changing workforce

3. Study of how people use their limited resources to satisfy their needs and wants

4. Economic system in which allocation of resources and production and consumption questions are answered by consumers in a marketplace that includes competition, profit, private property, and freedom of exchange

5. Person who attempts to earn money and make profits by taking the risk of owning and operating a business

6. Discussion should include the following.

   Entrepreneurs play a vital part in the free-enterprise system. Without entrepreneurs, land, labor, and capital would only be resources. Once they are organized by an entrepreneur and used in a business venture, however, these resources can produce goods/services, thereby creating new wealth. Entrepreneurs, then, are the human element required in the economic activity of free enterprise.

7. Employee who possesses and applies entrepreneurial skills in the workplace; an employee who thinks like a business owner

8. Discussion should include the following.

   Intrapreneurs play a vital part in creating and managing their own workplace environment. As intrapreneurs reap the rewards of creating their workplace environment, they must also assume the responsibility for it.

The Entrepreneurial Workplace

Written Test

Name ______________________________ Score ____________

1. Define the term *workplace environment*. Write your answer on the blanks provided beside the term below.

   Workplace environment ______________________________

2. List factors affecting the current workplace environment in the United States. Write your answers on the blanks provided below.

   a. ______________________________

   b. ______________________________

   c. ______________________________

3. Define the term *economics*. Write your answer on the blanks provided beside the term below.

   Economics ______________________________

4. Define the term *free-enterprise system*. Write your answer on the blanks provided beside the term below.

   Free-enterprise system ______________________________

Written Test

5. Define the term *entrepreneur*. Write your answer on the blanks provided beside the term below.

   Entrepreneur ______________________________

   ____

   ____

6. Discuss the role of the entrepreneur in a free-enterprise system. Write your answer on the blanks provided below.

   ____

   ____

   ____

   ____

   ____

   ____

7. Define the term *intrapreneur*. Write your answer on the blanks provided beside the term below.

   Intrapreneur ______________________________

   ____

   ____

8. Discuss the role of the intrapreneur in the current workplace environment. Write your answer on the blanks provided below.

   ____

   ____

   ____

   ____

   ____

Permission to duplicate this test is granted.

The Entrepreneurial Workplace

Unit Evaluation Form

Student name ______________________ Unit rating __________

Assignment-sheet ratings

Assignment Sheet 1—Determine the Factors Affecting the Current Workplace Environment in the United States Rating ______

Comments: ______________________

____

____

Assignment Sheet 2—Practice Intrapreneurial Skills Rating ______

Comments: ______________________

____

____

Assignment Sheet 3—Profile Employee Perceptions of Their Workplace Environment Rating ______

Comments: ______________________

____

____

Assignment Sheet 4—Analyze the Workplace Environment of an Entrepreneurial Business Rating ______

Comments: ______________________

____

____

Unit Evaluation Form

Written-test scores

Pretest ______ Posttest ______ Other ______

Comments: ____

____

____

Teacher signature ______________________________ Date ____________

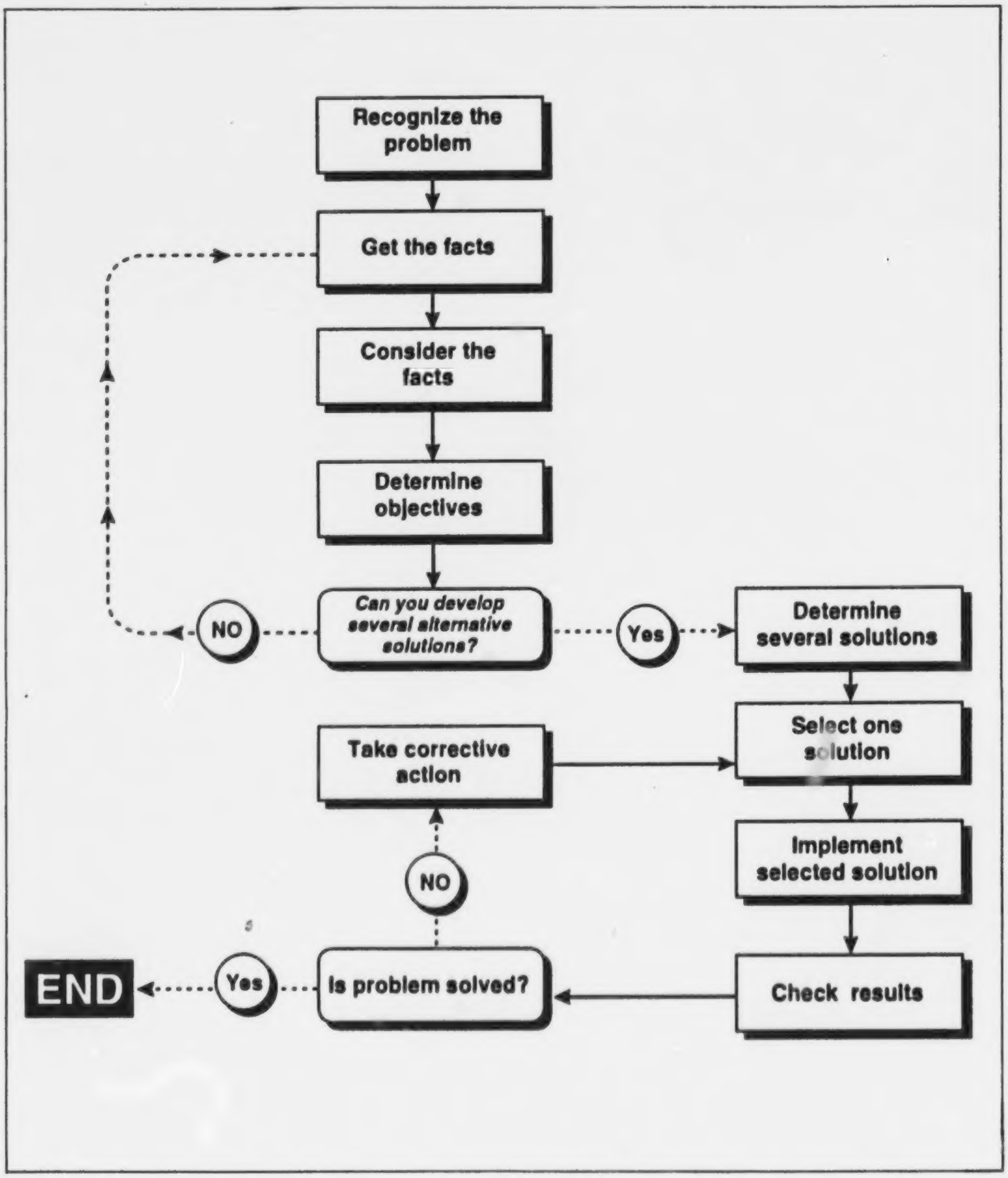
Student signature ______________________________ Date ____________

Permission to duplicate this form is granted.

95

The Entrepreneurial Workplace

Teacher Supplement 1—The Problem-Solving Method


Recognize the problem
Get the facts
Consider the facts
Determine objectives
Can you develop several alternative solutions?
NO
Yes
Determine several solutions
Select one solution
Take corrective action
Implement selected solution
NO
Check results
Is problem solved?
Yes
END

Customer Service = $uccess

Suggested Activities

Instructional plan

Preparation

- Review the unit and plan your presentation. Study the specific objectives to determine the order in which you will present the objectives.

  Review the unit introduction and teaching suggestions included in the delivery and application section below and plan classroom activities. Also note suggestions for media and supplemental materials.

  Plan your presentation to take advantage of student learning styles and to accommodate special-needs students.

- Review Assignment Sheet 3, "Analyze the Customer Services Provided by an Entrepreneur." Create and have available for students a list of resources to use in finding articles about the customer services provided by entrepreneurs in their businesses. See the resource list in Teacher Supplement 1 in the teacher pages of "What Is an Entrepreneur?" Collect as many of these resources as possible to be available to students in the classroom. Also, determine the format you prefer to have students use in completing this portfolio assignment.

- Obtain films, videotapes, and other media to supplement instruction of this unit. See the ordering information in the suggested resources section below.

- Select the teacher components (teacher supplements, written test, unit evaluation form) you want to distribute to your students. Copy and prepare these components for distribution.

- Prepare the classroom. Put up posters and charts and display articles and other references related to the objectives of this unit.

- Review the teacher page "Instructors' Lesson Checklist."

Suggested Activities

Delivery and application

Unit introduction

The skill areas appearing in bold-face type in the unit introduction and teaching suggestions refer to the academic and workplace skills identified by the American Society of Training and Development (ASTD) and the U.S. Department of Labor. These have been adapted by MAVCC.

- Have students locate the objective sheet. Read and discuss with students the unit and specific objectives.

- Show the video *Customer Service: It Pays to Please*. Have students take notes on the main points presented in the video, and then, lead a class discussion in which students share their notes. **(Listening for content; writing; adapting to the organization's values, culture, and traditional modes of operation; communicating in spoken form)**

  After viewing the video, ask students to relate personal experiences in which one person positively or negatively affected the overall image of an organization (a school organization in which they were involved or a business in which they were employed, etc.). Write these situations on the chalkboard, and have students analyze why the person positively or negatively affected that organization's image. **(Communicating in spoken form; recognizing and defining problems and tracking results; adapting to the organization's values, culture, and traditional modes of operation)**

- Invite an entrepreneur from a local business to speak to the class concerning the importance of customer service. Have the entrepreneur provide both positive and negative examples of customer service and tell specifically how these examples affected the organization's business relations in the community. **(Listening for content; adapting to the organization's values, culture, and traditional modes of operation)**

Suggested Activities

Teaching suggestions

Objective 1 Match to their correct definitions terms associated with customer service.

- Have students locate Objective 1 in the information sheet. Read and discuss with students the terms and definitions presented in this section of the information sheet.

  Emphasize to students the definition of the term *attitude*. Discuss the differences between an *ability, aptitude*, and an *attitude*. Relate that through practice students can develop the ability and attitudes necessary to master customer-service skills despite their original aptitude. **(Listening for content; applying technical terms)**

  Discuss the definitions of the terms *defense mechanism* and *rationalization*, and read with students the examples presented in the information sheet under each term. Then, have students discuss times when they have used defense mechanisms and rationalization in their dealings with others. Relate to students the negative impact defense mechanisms can have on the work environment. **(Listening for content; communicating a thought in spoken form; recognizing and defining problems and evaluating results; applying technical terms)**

  Discuss the term *empathy*. Explain that one of the best ways to learn effective customer-service attitudes is to put yourself in the other person's shoes. **(Listening for content; applying technical terms)**

  Have students obtain business magazines such as (*Inc.*, *Entrepreneur*, *Profit*, etc.). Have students circle with a red pen, or highlight with a marker, words or phrases in advertisements that emphasize customer satisfaction. Have them look for "attitude" words such as *responsiveness, assurance, reliability.* Have students bring their magazines to class and in a class discussion share their findings.

  Instruct students to listen to TV or radio commercials for one hour. Have them write down as many customer-service-oriented phrases they can hear from TV or radio advertisements. In class, have each student read at least one phrase aloud. Lead a discussion on reactions to the phrases. **(Applying technical terms; orally communicating a thought or idea)**

Suggested Activities

Discuss the definitions of the terms *customer* and *customer service*. Emphasize to students the words *positive* and *productive* in the definition of the term *customer service*. **(Listening for content; applying technical terms)**

Discuss the definitions, notes, and examples given in the information sheet for the terms *open-ended question* and *reflective question*. Then, read to students scenarios in which they must provide open-ended or reflective questions. **(Listening for content; applying technical terms; recognizing and defining problems and inventing solutions; orally communicating a thought or idea)**

Objective 2 List reasons entrepreneurs must provide quality customer service. **Objective 3** List techniques entrepreneurs use to ensure their business provides quality customer service.

- Treat these information-sheet objectives as a unit, relating to students why customer service is critical to the success of a business and why it is a business' biggest asset.

  Have students locate Objectives 2 and 3 in the information sheet, and read with students the information in these sections.

- Have students pack a grocery bag with five items from their household. Items can be anything that carries a message from a company to the customer about quality. For example, General Mills cereal-box side panels have a "quality guarantee" message; Chef Boyardee has a "Good Food for the Whole Family" message; Brach's candy has a "Freshness Guarantee" message; Sony has a "Product Warranty" statement. If a product is too big to fit in the grocery bag, have students bring a printed piece supplied with the product. In a class discussion, discuss the different methods of conveying quality customer service and getting customer feedback. **(Using imagination to create something new; orally communicating a thought or idea; adapting to the organization's values and culture)**

- Explain to students how entrepreneurs must use the various management techniques presented in Objective 3 (customer profile, vision/mission statement, policies and procedures statement, intrapreneur orientation and re-orientation programs, employee empowerment, and customer feedback) to provide the framework the business needs to promote quality customer service.

Suggested Activities

Have students locate Student Supplement 1, "Entrepreneurial Customer-Service Techniques," and discuss with students the information presented in the supplement. Use Student Supplement 2, "Sample Market/Customer Surveys," Student Supplement 3, "Sample Vision/Mission Statements," Student Supplement 4, "Sample Policies and Procedures Statements," and Student Supplement 5, "Business Scenario, BackSacks, Inc.," to illustrate your discussion. **(Listening for content; adapting to the organization's values and culture)**

- Hand out copies of Teacher Supplements 1 through 5, which present the new-employee orientation process used by the Ramada System of Franchised Hotels. Use this material to highlight the manager's role in presenting the various components of Ramada's orientation process. **(Listening for content; adapting to the organization's values and culture)**

- Have students locate Assignment Sheet 1, "Develop a Customer Profile and Write a Customer-Service Strategy." Read and discuss with students the introduction, reading assignment, and Customer Profile Check included in Part A of the assignment. Have students complete the activity checklist for Part A. **(Reading/listening for direction)**

- Read and discuss with students the reading assignment and activity checklist for Part B of Assignment Sheet 1. Have students complete the activity checklist for Part B. **(Reading/listening for direction)**

- Read and discuss with students the reading assignment and activity checklist for Part C of Assignment Sheet 1. Have students complete the activity checklist for Part C. **(Reading/listening for direction)**

Objective 4 List reasons intrapreneurs must provide quality customer service. **Objective 5** Complete statements about techniques intrapreneurs use to ensure they provide quality customer service.

- Treat these information-sheet objectives as a unit, relating to students what customer-service skills are, why they are important to a business, and how intrapreneurs can provide quality customer service.

Suggested Activities

- Have students locate Objectives 4 and 5 in the information sheet, and read with students the information presented in these sections. **(Listening for content; adapting to the organization's values and culture)**

- Show the videos *How to Deal with All Kinds of Customers; Customer Service: The Film*; and *Customer Service: It Pays to Please*. Have students take notes on the main points presented in these videos, and then, lead a discussion in which students present these main points. **(Listening for content; writing; orally communicating a thought or idea; adapting to the organization's values and culture)**

  Again, refer students to their copies of Ramada's new-employee orientation materials. Discuss the employee's role in the orientation process. **(Adapting to the organization's values and culture)**

- Discuss the meaning of the term *body language* and the aspects of body language (tone of voice, gestures, posture, etc.) given as examples in Objective 5. Have each student gather an illustration from magazines showing people demonstrating an aspect of body language. Have each student come before the class and show the illustration gathered. Then, have the class discuss the "message" communicated by the illustration. **(Orally communicating a thought or idea; creative thinking)**

Objective 6 List ways intrapreneurs demonstrate a positive attitude toward quality customer service.

- Have students locate Objective 6 in the information sheet, and read with students the information presented in this section. Again, emphasize the term *positive attitude*. Then, show the videos from Zig Zigler's *Born to Win* Series: *Your Attitude Determines Your Attitude* and *A Formula for Building a Winning Attitude*. Provide students with a question sheet to fill out that will lead them in determining the main points presented in these videos. Lead a discussion in which students present these main points. **(Listening for content; writing; orally communicating a thought or idea; adapting to the organization's values and culture)**

Suggested Activities

- Write on the chalkboard the phrase "Clothes don't make the person." Lead a class discussion on the meaning of this phrase as related to projecting a professional business image. **(Orally communicating a thought or idea; adapting to the organization's values and culture)**

Objective 7 List in order the basic problem-solving steps. **Objective 8** List reasons intrapreneurs should learn to apply problem-solving skills.

- Have students locate Objectives 7 and 8 in the information sheet.

- Read and discuss with students the information presented with Objective 7 in the information sheet. Use Transparency 1, "Basic Problem-Solving Steps," to illustrate your discussion. **(Listening for content)**

- Read and discuss with students the information presented with Objective 8. The previous objectives have stressed how important it is to the business that its intrapreneurs present good customer-service skills. The emphasis of this objective is how providing quality customer service can personally benefit the intrapreneur. Lead students in discussing the success of persons they know of who exhibit good customer-service skills. **(Listening for content; emphasizing self-direction; creating a positive self-image)**

- Show the video *Cooling the Hot Customer* and have students note the problem-solving steps presented in the video. Lead a discussion in which students present the contents of their notes. **(Listening for content; writing; orally communicating a thought or idea)**

- Have students locate Student Supplement 6, "Intrapreneurial Customer-Service Techniques," and Assignment Sheet 2, "Handle Customer Complaints."

  Read with students the information presented in the student supplement, and discuss with students how proper handling of complaints can turn a negative situation into a positive experience for both parties involved. **(Reading/listening for content; adapting to the organization's values and culture)**

Suggested Activities

Read and discuss with students the introduction, reading assignment, activity checklist, and scenarios included in the assignment. Answer any student questions and have students complete the activity checklist. **(Reading/listening for direction)**

- As a part of Assignment Sheet 2, students are placed in groups of two and are asked to develop and present role-plays based on scenarios presented in the assignment and their answers to the questions in the assignment. Have other students in the class evaluate the quality of the problem-solving techniques presented in the role-plays. **(Working together in a group; orally communicating a thought or idea; using imagination to create something new; recognizing and defining problems and inventing solutions)**

Assignment Sheet 3 Analyze the customer services provided by an entrepreneur.

- Have students locate Assignment Sheet 3 and discuss with them the purpose of this portfolio assignment—a method you will use to evaluate each student's ability to read resource material and use the information that has been taught in this unit to analyze the information read.

  Explain to students that the ability to use and analyze resource materials is a critical "real-life" skill all entrepreneurs and intrapreneurs must use in order to keep up with new developments and opportunities for their businesses.

  List for students titles of the various resources you believe to be the best resources for entrepreneurial businesses. Discuss with students the formats of the various resource materials you have collected to be used with this assignment. Point out, for example, types of articles that appear monthly in trade magazines. **(Developing the ability to apply knowledge to other situations; knowing how to learn)**

  Discuss with students the format you want them to use in completing the portfolio assignment. **(Listening for direction)**

  Read and discuss the activity checklist and have students complete Assignment Sheet 3.

Suggested Activities

Evaluation

- Evaluate assignment sheets. See the evaluation criteria listed at the top of each assignment sheet as well as the teacher page "Answers to Assignment Sheets."
- Give the written test. See the teacher page "Written Test."
- Evaluate the written test. See the teacher page "Answers to Written Test."
- Compile written-test and assignment-sheet scores. See the teacher page "Unit Evaluation Form."
- Reteach and retest as required.

Suggested resources

Resources used in developing this unit

Print media

- Albrecht, Karl. *The Only Thing That Matters, Bringing the Power of the Customer into the Center of Your Business.* New York: Harper Collins Publishers, Inc., 1992.
- Albrecht, Karl, and Ron Zemke. *Service America! Doing Business in the New Economy.* New York: Dow Jones-Irwin, 1985.
- Anderson, Kristin, and Ron Zemke. *Delivering Knock Your Socks Off Service.* New York: AMACOM, American Management Association, Performance Research Associates, Inc., 1991.
- Bell, Chip R., and Ron Zemke. *Managing Knock Your Socks Off Service.* New York: AMACOM, American Management Association, Performance Research Associates, Inc., 1992.
- Cannie, Joan Koob. "We Are the Champions," *Small Business Reports*, January, 1993.
- Crummett, Dan M., and Jerrie Crummett. *Introduction to International Trade.* Stillwater, Oklahoma: Mid-America Vocational Curriculum Consortium, Inc., 1994.

Suggested Activities

- Deal, and Kennedy. *Corporate Cultures: The Rites and Rituals of Corporate Life.* Reading, Massachusetts: Addison-Wesley Publishing Co., Inc., 1982.
- Gober, Mary S. *The Art of Giving Quality Service.* Clarence, New York: Gober & Associates International, 1992.
- Greco, Susan. "The Art of Selling," reprinted in *Inc.*, June, 1993.
- Harris, R. Lee. *The Customer Is Key!* Milwaukee, Wisconsin: ASQC Quality Press, 1991.
- Harris, and Moran. *Managing Cultural Differences.* Houston, Texas: Gulf Publishing Co., 1991.
- LeBoeuf, Michael. *How to Win Customers and Keep Them for Life.* New York: G. P. Putman's Sons, 1987.
- McCune, Jenny C. "Whether You're Large or Small, Entrepreneurship Is Staying Close to the Customer," *Success*, October, 1993.
- Mooreman, and Halloran. *Entrepreneurship.* Cincinnati, Ohio: South-Western Publishing Co., 1993.
- Scott, Dru. *Customer Satisfaction: The Second Half of Your Job.* Los Altos, California: Crisp Publications, Inc., 1988.
- Tjosvold, Dean. *Teamwork for Customers: Building Organizations That Take Pride in Service.* San Francisco, California: Jossey-Bass, Inc., 1993.
- Walker, Susan S. *Introduction to Hospitality and Tourism.* Stillwater, Oklahoma: Mid-America Vocational Curriculum Consortium, 1993.
- Whiteley, Richard C. *The Customer-Driven Company: Moving from Talk to Action.* Reading, Massachusetts: Addison-Wesley Publishing Co., Inc., 1991.

Suggested Activities

Suggested supplemental resources

Nonprint media

Note: Oklahoma teachers may order the following videos from the Oklahoma Department of Vocational and Technical Education, 1500 West Seventh Avenue, Stillwater, Oklahoma 74074. Other instructors may order the videos from the addresses listed with the videos.

- The following two videos are programs from a Zig Zigler series *Born to Win*. Both color videos are available in ½" VHS format and were copyrighted in 1982 by the Zig Zigler Corporation, 13642 Omega at Alpha, Dallas, Texas 75234; phone 214-233-9191.

  Born to Win: Your Attitude Determines Your Attitude.

  In this video, *attitude* is exactly what Zig Zigler speaks about. He stresses how important our attitude is in our work and how it can help or harm the employee.

  Born to Win: A Formula for Building a Winning Attitude.

  In this video, Zig Zigler presents his version of a formula for building a positive and winning attitude.

- *Cooling the Hot Customer.* ½" VHS, color, 20 minutes. Copyright 1988, American Bankers Association, 1120 Connecticut Avenue, NW, Washington, D.C. 20036; phone 913-532-6540.

  It happens to everyone sooner or later—the inevitable encounter with a dissatisfied, and possibly irate, customer. This video class teaches important skills involved in calming the "hot" customer, discovering the source of a problem, and helping to resolve it. It is a course in problem solving in which employees learn how to turn a negative into a positive.

- *Customer Service: It Pays to Please.* ½" VHS, color, 19 minutes. Copyright 1984, Aims Media, Inc., 6901 Woodley Avenue, Van Nuys, California 91406; phone 800-367-2467.

Suggested Activities

This video teaches employees how important their jobs are to the business establishment. It provides employees with a clear understanding of their importance as company representatives. Employees will learn the skills they need to sell the company's image to customers, and they will be sold on using them. Use of the telephone is of major importance to most businesses, and special attention is given to preparing employees to use it well.

- *Customer Service: The Film.* ½" VHS, color, 25 minutes. Copyright 1987, Barr Films, 12801 Schabarum Avenue, Irwindale, California 91706-7878; phone 818-338-7878.

  The video teaches the importance of positive customer relations through a series of connected and humorous scenes outlining both good and bad customer-service practices.

- *How to Deal with All Kinds of Customers.* ½" VHS, color, 19 minutes. Copyright 1984, American Bankers Association (see address above).

  In this video, the viewer is taught that customers come in all varieties, and that handling each one properly is a skill that requires understanding and professionalism. This video demonstrates ways in which employees can make an extra effort to ensure continued customer satisfaction.

Suggested resources for customer information

State and federal organizations

- BEA: The Bureau of Economic Analysis, Survey of Current Business and Business Conditions Digest
- Bureau of the Census
- EDA: The Economic Development Administration
- MWBE: Minority and Women's Business Enterprise Program
- SBA: Small Business Administration
- SBDC: Small Business Development Center
- SCORE: Service Corps of Retired and Active Executives
- The State Department of Labor

Suggested Activities

- USDC: United States Department of Commerce
- USPS: United States Postal Service

Local organizations and companies

- Banks and financial institutions
- Chamber of Commerce
- County Extension Services
- Phone companies
- Printing and mailing companies

Publications

- Advertising Age, Chicago, Illinois.
- Januz Marketing Communications, Inc., Lake Bluff, Illinois.
- Direct Mail/Marketing Association, Inc., New York, New York.
- AT&T Home-Office Resources Newsletter, AT&T, Holliston, Massachusetts.

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Instructor's Lesson Checklist

The instructor should read the Suggested Activities teacher pages for a complete lesson plan and specific suggestions for teaching each objective in this unit of instruction. The checklist below is provided only as a convenience to the instructor in collecting student and teacher components when teaching the unit lessons.

Lesson 1 Entrepreneurial Customer-Service Techniques

Lesson 1, Part A Develop a Customer Profile

- Student components

______ 1. Objective Sheet, Specific Objectives 1 through 3

______ 2. Information Sheet, Objectives 1 through 3

______ 3. Student Supplement 1, Entrepreneurial Customer-Service Techniques

______ 4. Student Supplement 2, Sample Market/Customer Surveys

______ 5. Student Supplement 5, Business Scenario, BackSacks, Inc.

______ 6. Assignment Sheet 1, Develop a Customer Profile and Write a Customer-Service Strategy

- Teacher components

______ 1. Teacher Supplements 1 through 5

Lesson 1, Part B Write a Vision/Mission Statement

- Student components

______ 1. Objective Sheet, Specific Objectives 1 through 3

______ 2. Information Sheet, Objectives 1 through 3

______ 3. Student Supplement 1, Entrepreneurial Customer-Service Techniques

______ 4. Student Supplement 3, Sample Vision/Mission Statements

______ 5. Student Supplement 5, Business Scenario, BackSacks, Inc.

______ 6. Assignment Sheet 1, Develop a Customer Profile and Write a Customer-Service Strategy

Instructor's Lesson Checklist

Lesson 1, Part C Write a Policies and Procedures Statement

- Student components

______ 1. Objective Sheet, Specific Objectives 1 through 3

______ 2. Information Sheet, Objectives 1 through 3

______ 3. Student Supplement 1, Entrepreneurial Customer-Service Techniques

______ 4. Student Supplement 4, Sample Policies and Procedures Statements

______ 5. Student Supplement 5, Business Scenario, BackSacks, Inc.

______ 6. Assignment Sheet 1, Develop a Customer Profile and Write a Customer-Service Strategy

Lesson 2 Intrapreneurial Customer-Service Techniques

- Student components

______ 1. Objective Sheet, Specific Objectives 4 through 8

______ 2. Information Sheet, Objectives 4 through 8

______ 3. Student Supplement 5, Business Scenario, BackSacks, Inc.

______ 4. Student Supplement 6, Intrapreneurial Customer-Service Techniques

______ 5. Assignment Sheet 1, Develop a Customer Profile and Write a Customer-Service Strategy

______ 6. Assignment Sheet 2, Handle Customer Complaints

- Teacher component

______ 1. Transparency Master 1, Basic Problem-Solving Steps

Lesson 3 Portfolio Assignment

______ 1. Assignment Sheet 3, Analyze the Customer Services Provided by an Entrepreneur

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Answers to Assignment Sheets

Assignment Sheets 1 through 3

Student performance should be evaluated according to the criteria listed on each assignment sheet.

Evaluator's note: There are no right or wrong answers to these assignment sheets. In evaluating these assignments, the evaluator should look for seriousness of effort and completeness rather than for "correctness."

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Answers to Written Test

1. a. 9
   b. 1
   c. 8
   d. 10
   e. 2
   f. 7
   g. 6
   h. 3
   i. 5
   j. 4

2. Answer should include any three of the following.

   - To attract customers to your business
   - To get customers to return to your business
   - To get customers to refer other customers to your business
   - To stay in business

3. - Develop a customer profile to describe your typical customers and define what services your typical customers expect.
   - Write a customer-service strategy to define and measure the attitudes of service your company values for providing quality customer service.
   - Develop an intrapreneur orientation program for new employees and regularly scheduled re-orientation programs for current employees.
   - Empower your company's intrapreneurs as customer communicators and customer problem-solvers.
   - Devise methods to encourage customer feedback.

4. Answer should include any five of the following.

   - To attract customers to your business
   - To get customers to return to your business
   - To get customers to refer other customers to your business
   - To promote better business
   - To provide yourself—through better business—with job security
   - To increase your earnings
   - To promote self-pride and job satisfaction

5. a. 2
   b. 3
   c. 3
   d. 1
   e. 2
   f. 2

Answers to Written Test

6. Answer should include any five of the following.

   - Doing more than is expected
   - Always being polite
   - Leaving your personal problems at home
   - Being friendly
   - Being prompt
   - Taking pride in your work
   - Taking pride in how you look
   - Being open to change
   - Viewing customer complaints as an opportunity to problem-solve and improve customer service

7. a. Recognize the problem.
   b. Get the facts.
   c. Consider the facts.
   d. Determine the goal or objective desired with the solution of the problem.
   e. Determine several possible solutions.
   f. Select one solution.
   g. Implement selected solution.
   h. Follow up to check results.

8. Answer should include any four of the following.

   - You will become a better employee as you learn about human nature and how to treat all customers equally and pleasantly regardless of race, sex, or religion.
   - You will learn to cooperate with co-workers, employers, customers, and family members.
   - You will be able to assess situations with people more accurately.
   - You will enjoy interactions with people on the job, so will be more satisfied with your place of employment.
   - You will be able to cope with problems more realistically, focusing on the facts of the problem rather than allowing emotions and personalities to interfere.
   - You will make a good impression for your company.
   - You will understand yourself better and develop positive self-esteem.
   - You will be able to improve social and work relationships.

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Written Test

Name ______________________________ Score ______________

1. Match to their correct definitions terms associated with customer service. Write the numbers on the blanks.

______a. One of the most frequently used defense mechanisms; used to explain something to oneself so that it sounds reasonable; to make excuses to oneself

______b. Mental position

______c. Question that is designed to encourage a complete response from the person being questioned

______d. Question that mirrors the other person's feelings or ideas through rephrasing or summarizing

______e. Person who purchases a product or service

______f. Employee who possesses and applies entrepreneurial skills in the workplace

______g. Person who attempts to earn money and make profits by taking the risk of owning and operating a business

______h. Positive and productive interaction between a business organization and the customers it serves

______i. Ability to put yourself in the other person's shoes; understanding how the other person feels

______j. Behavior used to cope with difficulties

1. Attitude
2. Customer
3. Customer service
4. Defense mechanism
5. Empathy
6. Entrepreneur
7. Intrapreneur
8. Open-ended question
9. Rationalization
10. Reflective question

Written Test

2. List three reasons entrepreneurs must provide quality customer service. Write your answers on the blanks provided.

   a. ______________________________

   b. ______________________________

   c. ______________________________

3. List techniques entrepreneurs use to ensure their business provides quality customer service. Write your answers on the blanks provided.

   a. ______________________________

   b. ______________________________

   c. ______________________________

   d. ______________________________

   e. ______________________________

4. List five reasons intrapreneurs must provide quality customer service. Write your answers on the blanks provided.

   a. ______________________________

   b. ______________________________

   c. ______________________________

   d. ______________________________

   e. ______________________________

5. Complete statements about techniques intrapreneurs use to ensure they provide quality customer service. Write the correct number on the blank before each item below.

   ______a. Focus on the customer's ______.

   1. personality traits
   2. wants and needs
   3. complaints
   4. attitudes

Written Test

______b. Understand the company's ______ and ______.

1. business associates and clients
2. products and policies
3. organizational structure and company values
4. employee wage rate and scale

______c. Know what ______ you can offer customers.

1. discounts
2. excuses
3. services
4. advice

______d. Take action to satisfy customer's ______.

1. needs
2. whims
3. business associates
4. families

______e. Be aware of ______—both yours and the customer's.

1. body odor
2. body language
3. rationalizations
4. defense mechanisms

______f. Be a team player, and develop a ______.

1. mature outlook
2. positive attitude
3. formal manner
4. defensive style

6. List five ways intrapreneurs demonstrate a positive attitude toward quality customer service. Write your answers on the blanks provided.

a. ____

b. ____

c. ____

d. ____

e. ____

Written Test

7. List in order the basic problem-solving steps.

   a. Step 1: ______________________________

   b. Step 2: ______________________________

   c. Step 3: ______________________________

   d. Step 4: ______________________________

   e. Step 5: ______________________________

   f. Step 6: ______________________________

   g. Step 7: ______________________________

   h. Step 8: ______________________________

8. List four reasons intrapreneurs should learn to apply problem-solving skills. Write your answers on the blanks provided.

   a. ______________________________

   ____

   b. ______________________________

   ____

   c. ______________________________

   ____

   d. ______________________________

   ____

Permission to duplicate this test is granted.

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Unit Evaluation Form

Student name ______________________________ Unit rating __________

Assignment-sheet ratings

Assignment Sheet 1—Develop a Customer Profile and Write a Customer-Service Strategy Rating ______

Comments: ____

____

Assignment Sheet 2—Handle Customer Complaints Rating ______

Comments: ____

____

Assignment Sheet 3—Analyze the Customer Services Provided by an Entrepreneur Rating ______

Comments: ____

____

Written-test scores

Pretest ______ Posttest ______ Other ______

Comments: ____

____

Teacher signature ______________________________ Date __________

Student signature ______________________________ Date __________

Permission to duplicate this form is granted.

Teacher Supplement 1—Ramada's New-Employee Orientation Procedures

Introduction

The following pages present the new-employee orientation process used by managers in the Ramada System of Franchised Hotels. Teacher Supplement 1 presents the steps a manager/supervisor uses in orienting a new employee, while Teacher Supplements 2 through 5 present worksheets and checklists presented to the employee during the orientation process.

Teacher Supplement 1

The Orientation Process

1. **Present an overview of the Ramada system.**

The employee who comes to work at Ramada is joining a very large team of hotel professionals. It is important that the employee be aware of the Ramada system, its history and goals, and the opportunities that exist for advancement within the system.

Materials needed:

- Orientation video, *Great Expectations*
- Map of the United States
- *Ramada Directory*

Procedure:

- Show the orientation video.

- Use a map of the United States to show locations of Ramada properties.

- Provide employee with a copy of the *Ramada Directory* and explain the reservations system and its benefits.

- Discuss the history of Ramada.

- Explain Ramada's goal of providing high-quality guest service in the mid-priced range.

- Explain the five tiers of Ramada properties: Limiteds, Inns, Hotels, Plaza Hotels, and Resorts.

- Encourage the employee to ask questions about the past, present, and future of Ramada.

2. **Present an overview of the property.**

The new employee who comes to work at a Ramada needs to learn about the property, including its history, organization, and the people responsible for carrying out its objectives. This is a step toward making the employee feel a part of the property, rather than an outsider. It also offers management an opportunity to introduce the formal organizational chart so that the employee knows the structured lines of communication that exist.

Materials needed:

- Organizational chart—property level
- Brochures, factsheets

Procedure:

- Obtain or prepare copies of materials that cover (1) the property's history, (2) organizational structure, and (3) description of facilities and features.
- Discuss the history of the property, noting when it was opened, how long it has been a Ramada property, who owns it, etc.
- Explain the organizational structure, using an organizational chart. Tell the employee as clearly and briefly as possible the reporting relationships within the organizational structure.
- Discuss facilities and features of the property, using brochures and factsheets describing the property.
- Explain the employee's role as a representative of the property.
- Explain that each employee is a salesperson of the property's services.

3. Explain policies and procedures.

All policies and procedures governing employee performance must be discussed during orientation. An employee who knows the rules is less likely to violate them. In the process of explaining the policies and procedures to the new employee, it is important to point out some of the reasons behind existing policies. This helps the employee make appropriate judgments with respect to areas not specifically spelled out in the policies and procedures.

Materials needed:

- Completed Policy Guidelines Worksheet (see Teacher Supplement 2)

Procedure:

- Fill out the response that applies to your property for each question on the Policy Guidelines Worksheet.
- Review your policies and procedures with the new employee.
- Discuss any other policies of the property.
- Provide the employee with a copy of the completed Policy Guidelines Worksheet.
- Have the employee read and sign a copy of the Policy Guidelines Worksheet, indicating that he or she understands what is expected behavior on the property.
- Place this signed copy in the employee's personnel file.

4. Explain the benefits program.

An employee who joins the Ramada team is entitled to certain benefits. A complete explanation of these benefits should be given, and the employee should have the opportunity to enroll in any programs for which he or she is eligible.

Materials needed:

- Benefits brochures or booklets
- Benefit enrollment forms

Procedure:

- Review the benefits programs with the employee, using the appropriate benefits information forms.
- Allow time to answer all questions and to assist the employee in completing benefit enrollment forms.
- Schedule a time within the next week to complete enrollment forms if the employee wants to study the benefits information more extensively before enrolling.
- Give the employee copies of benefits brochures or booklets.

5. Present an overview of the employee's department.

The major functions of the new employee's department must be explained. Emphasis should be given to how the employee's own job fits into the larger business of carrying out departmental functions. Questions should be encouraged at this time.

Procedure:

- Give an in-depth tour of the department, allowing time for the employee to observe other employees performing their jobs.
- Spend extra time observing employees performing duties that the new employee will perform.
- Discuss in detail the department's primary activities and its relationships with other departments.
- Encourage the employee to ask questions relating to the various jobs within the department, relationships with other areas of the property, etc.

6. Explain the employee's new job.

When introducing a job to the new employee, it is key to remember that, while the job may be familiar to you, it is brand new to the employee. Even if the employee has performed a similar function elsewhere, the first day on the new job may be an anxious time. Concerns that take the form of "What do I do if . . . " and "Where do I find the . . . " usually are foremost in the mind of the employee.

Some guidelines to follow at this time include (1) speak of the job as one that is valued and important to the property, (2) avoid rushing through the explanation of job functions, and (3) reassure the employee when he or she expresses concerns.

Materials needed:

- Job description
- Performance appraisal form

Procedure:

- Obtain a copy of the job description for the employee's position. Give the employee a copy and thoroughly review it together.

- Explain the purpose of the performance appraisal system and how the process is conducted at your property. Give a copy of the document to the employee and review it completely.

- Discuss the employee's pay rate and the 90-day probation period.

7. Provide the new employee a tour of the property.

It is essential that the new employee be given a complete tour of the property as a key step in the orientation. This helps the employee feel comfortable in the working environment and also teaches the employee information needed to direct guests through the property.

Materials needed:

- Map of the property
- Tour Checklist (see Teacher Supplement 3)
- Product Knowledge Worksheet (see Teacher Supplement 4)

Procedure:

- Give the employee a map of the property to follow during the tour.

- Point out areas designated for employee use, such as locker room, entrances, and exits.

- Introduce the employee to other personnel.

- Show the employee the areas of major interest to the guests and mention hours of operation, entertainment, etc., in the lounge.

- Arrange for the employee to have dinner for two in the dining room or, if possible, an overnight stay plus a visit to the lounge and dinner to experience what it is like to be a guest in the property.

- Give the employee a Product Knowledge Worksheet to complete following the formal orientation.

- Review the completed Product Knowledge Worksheet with the employee.

8. **Introduce the employee to key management personnel.**

A new employee must meet the general manager, department head, and supervisor soon after joining the Ramada team. These key management people should extend a warm welcome to the new employee. A simple "Hello and welcome aboard" can make the difference between an employee who feels a part of the staff and one who never quite belongs.

The first day on the job is a major event in the employee's life. It means joining a new team and working to contribute to Ramada's goal of providing high-quality guest service. If top management is involved in employee orientation, it shows that the employee's first day is important to Ramada too, and this helps lower employee turnover.

Procedure:

- Schedule a visit from the general manager during the orientation session. This may take the form of a formal welcome to a group of new employees, or a visit to the manager's office.

- Take the employee to meet the department head in the employee's area if a personnel/training director is conducting the orientation.

- Introduce the employee to his or her immediate supervisor.

- Introduce the employee to other key management personnel (other department heads, accounting manager, etc.).

Teacher Supplement 1

9. Introduce the employee to his or her peers.

A new employee becomes part of a strong team when joining Ramada. Introducing the employee to work peers and providing the appropriate welcome is a first step toward bringing about long-term and productive relationships. An air of friendliness and warmth should be maintained during this process to put the new employee at ease.

Procedure:

- During the tour of the property, take time to introduce the new employee to co-workers. Allow time for this process. Do not rush through introductions.
- Following the tour, make it a point to seek out employees in the work group whom you missed or who were busy with guests at the time. Make a second round of introductions.

10. Complete documentation.

Having completed the orientation process, it is important to document that the employee has been given an appropriate introduction to Ramada. Complete the Employee Orientation Checklist (see Teacher Supplement 5), sign, and date. Have the employee sign. Place the completed checklist in the employee's personnel file.

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Teacher Supplement 2—Policy Guidelines Worksheet

Policy Guidelines Worksheet

Q. What is the policy on wearing nametags or ID badges?

A. ____

____

Q. Where are employees permitted to park?

A. ____

____

Q. What entrances and exits must employees use?

A. ____

____

Q. What is the policy on removing items from the property?

A. ____

____

Q. Explain the time card (or time sheet) policy used at your property.

A. ____

____

Q. What is the policy for calling in sick?

A. ____

____

Q. Where are employee's personal belongings stored?

A. ____

____

Teacher Supplement 2

Q. When do employees have access to the storage area?

A. ____

____

Q. What items cannot be brought to work?

A. ____

____

Q. Can employees be asked by management to open personal storage areas for inspection?

A. ____

____

Q. Where are employees' eating areas?

A. ____

____

Q. When do employees get meal and snack breaks? How much time can be taken for meals and breaks?

A. ____

____

Q. What do employees pay for meals provided by the property?

A. ____

____

Q. What is the policy on smoking and snacking when on duty?

A. ____

____

Teacher Supplement 2

Q. Where are the smoking and snacking areas on the property?

A. ____

Q. What is the policy on making and receiving calls at the property?

A. ____

Q. Are employees allowed to use recreational facilities? When?

A. ____

Q. Are employees allowed to use the lounge? When?

A. ____

Q. What is the policy regarding employees' friends being on the property?

A. ____

Q. Are employees allowed to cash payroll and personal checks at the property?

A. ____

Q. What is the procedure for taking time off?

A. ____

Teacher Supplement 2

Q. What is the policy regarding staff-meeting attendance?

A. ______________________________

____

Q. How much notice must employees give before taking vacation time?

A. ______________________________

____

Q. Are employees ever requested to change vacation times?

A. ______________________________

____

Q. Are employees restricted from being in departments other than where they work?

A. ______________________________

____

Q. Who on the property should be contacted when media representatives request information?

A. ______________________________

____

Q. Are employees restricted in the type of information they may give to reporters?

A. ______________________________

____

Q. What is the policy on discussing company business with outsiders?

A. ______________________________

____

Teacher Supplement 2

Q. What emergency procedures should be followed in the event of:

Natural disasters (earthquake, floods, storms, etc.)?

A.

Bomb threats?

A.

Building collapse or explosion?

A.

Fire?

A.

Q. What safety regulations and requirements must employees adhere to when operating equipment on the job?

A.

Q. What should employees do if injured on the job?

A.

Q. What should employees do if they witness a guest injury?

A.

Teacher Supplement 2

Q. What other policies or procedures of your hotel affect employee performance?

A. ______________________________

____

____

____

I have read and understood the above policies and procedures of Ramada.

Employee signature	Date

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Teacher Supplement 3—Tour Checklist

Tour Checklist

A tour of the property should include all of the following:

☐ Front desk
☐ Paging phones
☐ Pay telephones
☐ Gift shop
☐ Vending machines
☐ Ice machines
☐ Guestrooms (all types)
☐ Restaurant (mention hours of operation)
☐ Lounge (mention hours of operation and entertainment)
☐ Guest laundry facilities
☐ Linen rooms
☐ Security
☐ Time clock
☐ Employee locker room/dressing room
☐ Employee cafeteria
☐ Bulletin boards
☐ Fire extinguishers

☐ Banquet rooms
☐ Public restrooms
☐ Kitchen
☐ Grounds
☐ Swimming pool
☐ Recreational facilities
☐ Housekeeping department
☐ Maintenance department
☐ Supply rooms
☐ Fire alarms
☐ Fire door/emergency exits
☐ Employee restrooms

(Other areas)

☐ ____________________
☐ ____________________
☐ ____________________
☐ ____________________

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Customer Service = $uccess

Teacher Supplement 4—Product Knowledge Worksheet

Product Knowledge Worksheet

Directions Following the tour of the property, the new employee should be provided the Product Knowledge Worksheet to complete on his or her own. This worksheet offers the employee an opportunity to find out the specific information that helps him or her to answer guests' questions about the hotel. This worksheet should be returned to the person who delivered the orientation program, and any inaccuracies should be corrected.

Feature	**Name** (if applicable)	**Where located**	**Hours of service**
Restaurant			
Lounge			
Band/entertainment			
Swimming pool			
Sauna			
Gift shop			
Room service			
Vending machines			
Ice machines			
Van			
Checkout time			

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Teacher Supplement 5—Employee Orientation Checklist

Employee Orientation Checklist

1. **Present an overview of the Ramada system.**

   - ☐ Point out Ramada properties, using a map of the United States.
   - ☐ Explain Ramada's goal of providing high-quality guest service in the mid-priced range.
   - ☐ Explain the five tiers of Ramada properties: Limiteds, Inns, Hotels, Plaza Hotels, and Resorts.
   - ☐ Encourage the employee to ask questions about the past, present, and future of Ramada.

2. **Present an overview of the property.**

   - ☐ Obtain or prepare copies of materials covering property history, organizational structure, and description of facilities.
   - ☐ Explain the organizational structure of the property.
   - ☐ Discuss facilities and features of the property, using brochures, factsheets, or postcards describing the property.
   - ☐ Explain the employee's role as a representative of the property.

3. **Explain policies and procedures.**

   - ☐ Fill out the response that applies to your property for each question on the Policy Guidelines Worksheet.
   - ☐ Review your policies and procedures with the new employee.
   - ☐ Discuss any other policies of the property.
   - ☐ Provide the employee with a copy of the completed Policy Guidelines Worksheet.

Teacher Supplement 5

☐ Have the employee read and sign a copy of the policies and procedures.

☐ Place a signed copy in employee's personnel file.

4. Explain the benefits program.

☐ Review the benefits programs with the employee, using appropriate benefits information and forms.

☐ Allow time to answer all questions and to assist the employee in completing benefit enrollment forms.

☐ Schedule a time within the next week to complete enrollment forms if the employee needs more time to review benefits materials.

☐ Give the employee copies of benefits brochures or booklets.

5. Provide the new employee with a tour of the property.

☐ Give the employee a map of the property to follow during the tour.

☐ Point out areas designated for employee use, such as locker rooms, entrances, and exits.

☐ Introduce the employee to other property personnel.

☐ Arrange for the employee to have dinner for two and/or an overnight stay in your property.

☐ Give the employee a Product Knowledge Worksheet to complete following the formal evaluation.

☐ Review the Product Knowledge Worksheet with the employee upon completion.

6. Introduce the employee to key management personnel.

☐ Schedule a visit with the general manager to introduce the new employee.

☐ Introduce the employee to department head (if applicable).

☐ Introduce the employee to immediate supervisor.

Teacher Supplement 5

☐ Introduce the employee to other key management personnel.

7. Introduce the employee to work peers.

☐ Introduce the new employee to his or her co-workers during the tour of the property.

☐ Seek out employees whom you missed during the tour and make a second round of introductions.

8. Present an overview of the employee's department.

☐ Give an in-depth tour of the department, allowing time for the employee to observe other employees performing their jobs.

☐ Spend extra time observing employees performing duties that the new employee will perform.

9. Explain the employee's new job.

☐ Obtain a copy of the job description for the employee's position, provide employee with a copy, and review thoroughly.

☐ Explain the performance appraisal system, provide the employee with a copy, and review thoroughly.

☐ Discuss the employee's pay rate and the 90-day probation period.

______________________	______________________
Employee	Position
______________________	______________________
Personnel/training manager or department head	Date

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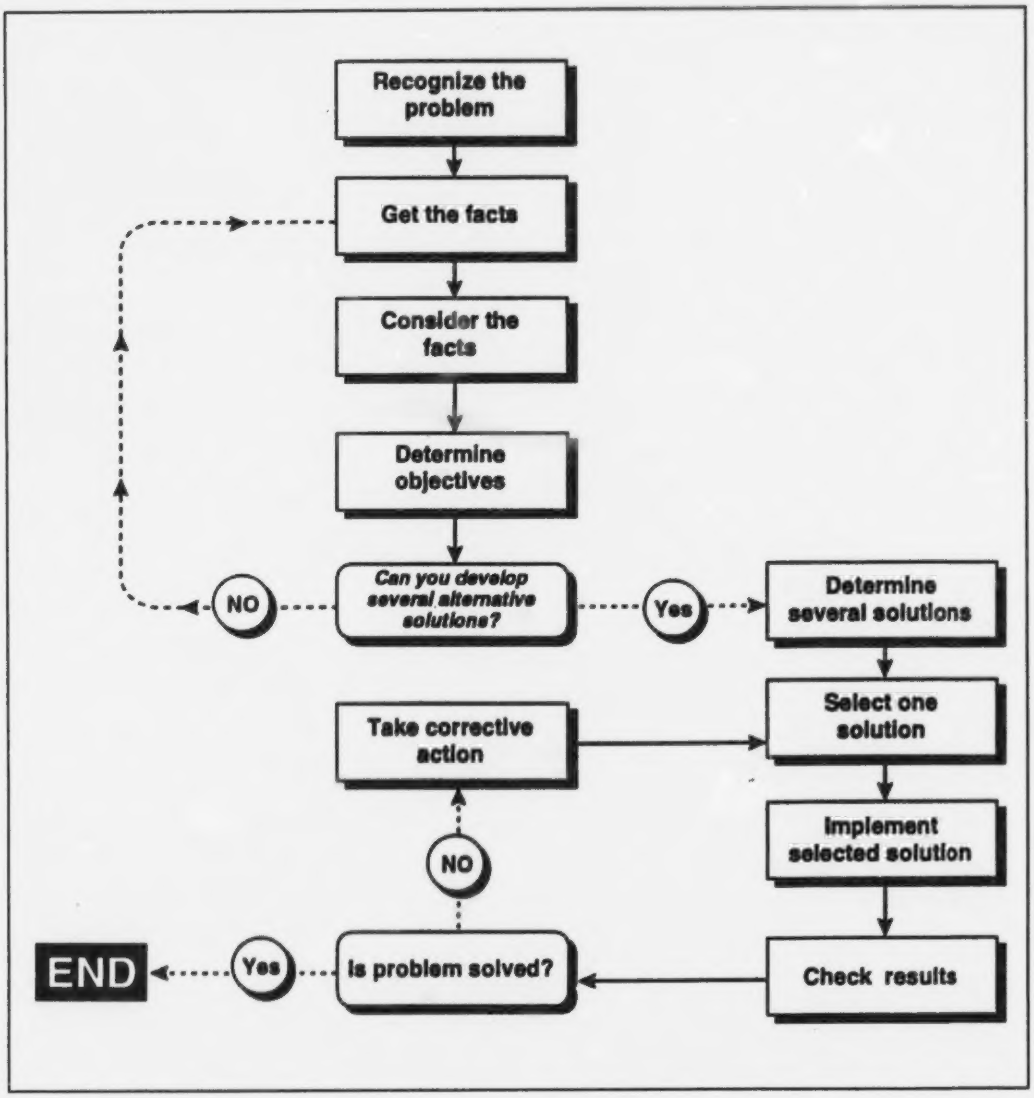
Basic Problem-Solving Steps


Recognize the problem
Get the facts
Consider the facts
Determine objectives
Can you develop several alternative solutions?
NO
Yes
Determine several solutions
Select one solution
Implement selected solution
Check results
Is problem solved?
Yes
END
NO
Take corrective action

WHAT IS AN ENTREPRENEUR?

What Is an Entrepreneur?

Student Edition

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What Is an Entrepreneur?

Objective Sheet

Unit objective

After completing this unit, the student should be able to profile the personality traits of successful entrepreneurs and entrepreneurial businesses and analyze their own entrepreneurial personality traits. The student should demonstrate these competencies by completing the assignment sheets and by scoring a minimum of 85 percent on the written test.

Specific objectives

After completing this unit, the student should be able to

1. Match terms associated with entrepreneurship to their correct definitions.
2. Define the term *entrepreneur.*
3. Define the term *intrapreneur.*
4. Define the term *entrepreneurial business.*
5. Match types of entrepreneurial businesses to their correct descriptions.
6. Match categories of entrepreneurial businesses to their correct descriptions.
7. Profile the personality traits of successful entrepreneurs and intrapreneurs and the characteristics of entrepreneurial businesses. (Assignment Sheet 1)
8. Profile your entrepreneurial personality traits. (Assignment Sheet 2)
9. Profile a successful entrepreneur and his or her entrepreneurial business. (Assignment Sheet 3)

What Is an Entrepreneur?

Information Sheet

1. **Terms and definitions associated with entrepreneurship**

   - **Aptitude** — Talent or potential for being able to do something

   - **Attitude** — Mental position

   - **Interest** — Thing, subject, or activity in life that you like to do or that makes you happy

   - **Personality trait** — Distinctive behavioral or emotional characteristic of an individual's personality

   - **Risk** — Possibility of loss or liability; the uncertainty of gains or losses assumed by an individual or a business

     Note: An entrepreneur is subject to two categories of risk: financial and personal. Subcategories of financial risk are profits and capital. Subcategories of personal risk are time, reputation, and job security.

   - **Skill** — Activity you have been trained to do and have practiced doing

   - **Value** — Personal judgment concerning the importance or worth of a thing or quality

2. **Definition of the term *entrepreneur*** — Individual who attempts to earn money and make profits by taking the risk of owning and operating a business

   Note: In starting and maintaining an entrepreneurial business, an entrepreneur assumes the responsiblity as the risk-taker for both the financial and personal risks involved.

3. **Definition of the term *intrapreneur*** — Employee who possesses and applies entrepreneurial skills and personality traits in the workplace

   Note: As an employee, an intrapreneur assumes the responsibility of some personal risk in developing his or her ideas for the business, but does not assume the financial risk involved in starting and maintaining the business.

4. **Definition of the term *entrepreneurial business*** — Business owned and operated by an entrepreneur

   Note: According to figures presented by the Small Business Administration in 1992

   - The estimated 20 million entrepreneurial businesses in the United States accounted for 39 percent of the gross national product (GNP).

Information Sheet

- Entrepreneurial businesses employ half of the United States' workforce.

Note: According to a February 1993 article in *Entrepreneur*

- Entrepreneurial businesses provide 50 percent of the goods and services produced in the United States.
- The 23.8 million home-based businesses in the United States were estimated to make $382.5 billion in annual revenues by the end of 1993.

5. Types of entrepreneurial businesses and their descriptions

- **Methods of operation**
  - **Independent** — Business in which the entrepreneur(s) is solely responsible for the financing, organization, and operation of the business
  - **Franchise** — Business in which the entrepreneur contracts with another business to sell a product or service under specific terms

    Examples: McDonald's, Sonic, Fotomat, Quick Print
- **Forms of business ownership**
  - **Sole proprietorship** — Business owned by one person who assumes all the financial and personal risks of the business and receives all the profit
  - **Partnership** — Business owned by two or more persons, each contributing money, capital, and skills and sharing the profits, losses, and risks of the business
  - **Corporation** — Small or large business owned by stockholders and operated by managers who may or may not be stockholders; stockholders invest money or property in exchange for capital stock in the corporation
  - **S corporation** — Small business owned by stockholders who divide the expenses and income from the business and each reports these on his or her personal income-tax return

6. Categories of entrepreneurial businesses and their descriptions

- **Extractive** — Mining and pipelining natural resources

  Examples: Sand, oil, ore, silver, gold, metals

Information Sheet

- **Manufacturing** — Producing products made from raw materials

  Examples: Clothing, bottled and canned goods, household appliances, computers, equipment

- **Wholesaling** — Selling large quantities of products for resale

  Examples: Construction goods, electronic parts, computers, foods, clothing, plumbing

- **Retailing** — Selling small quantities of products directly to the consumer

  Examples: Groceries, music, auto parts, apparel, drugs, sporting goods, home furnishings

- **Services** — Selling useful labor that does not produce a tangible product

  Examples: Transportation, computer services, restaurants, hotels, advertising, financial and legal services, mail services, day care, lawn care, fitness centers

What Is an Entrepreneur?

Student Supplement 1—"The Mind-Style of the Entrepreneur"

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The Mind-Style of the Entrepreneur

Q & A: Howard H. Stevenson

A Harvard Expert Reveals the Thought Patterns That Lead To Success

BY MICHAEL WARSHAW

Howard H. Stevenson is the Harvard Business School's point man on entrepreneurship. Since the chair was established in 1982, he has been Sarofim-Rock Professor of Business Administration at Harvard University. He is also senior associate dean and director of financial and information systems for Harvard Business School.

Among Stevenson's written works are four books, 41 articles, and more than 150 cases for the Harvard Business School. He has worked as an executive, founded his own company, and now sits on the board of a half-dozen corporations.

Why should anybody pursue entrepreneurship?

It offers control over your own destiny. I'm sure that the vast majority of people would rather make their own mistakes. It's this feeling: If I fail, at least I fail myself, rather than letting somebody else who doesn't even know who I am determine my future.

I think it also offers more justice, or fairness. If I'm going to take the risk, let me get the rewards.

Why is studying entrepreneurship so important now?
In the past, people used to think a rewarding, dynamic, great career came by joining a good company, working hard, and moving up the ladder as the company grew.

When I graduated in 1965 with an MBA, I was one of 700 from Harvard, and there were only 7,000 in the United States that year. This year, there are 80,000 MBAs. And now, most of the companies that my professor told me to join, so that I could work hard and have an exciting and dynamic career, don't look so exciting and dynamic and may not even be there.

You can't build a single psychological profile of the entrepreneur. There are too many examples that break **the rules.**

In those days, the company took the risk and the employee got the reward. Now it appears that the employee takes the risk and the company gets the reward.

Think how much has changed just in technology. I have more technological capacity on my desk here than Stanford University had in its computing center as late as 15 years ago. So I can do things with my fax, with my PC, with desktop publishing, with database management software that would have required a herd of people.

In fact, if you add to that the facilities of phone systems throughout the world and the ready access to travel services, an independent entrepreneur can do things that used to require tremendous organizations.

How do you teach yourself to be an entrepreneur?
First, you have to know what it is. Scholars, like Schumpeter, defined entrepreneurship as an economic function. Today, a lot of studies focus on the personality of entrepreneurs; their drive to succeed, the early childhood experiences that gave them that drive and the ability to take risks.

Well, neither approach is sound. You can't build a single psychological profile of the entrepreneur because there are too many examples that break the rules. There are people who equate "entrepreneurship" with innovation or with founding a company. In that case, forget about Ray Kroc of McDonald's or Thomas Watson of IBM because neither was a founder. I would say, though, both were entrepreneurs.

Entrepreneurship is not an effect or a type of individual. It's a behavior. It's the pursuit of opportunity without regard to the resources you currently control.

Are you saying that anybody can learn to be an entrepreneur?
I'm saying that it's a behavior that can be understood and wielded as a tool; a tool that empowers you, whether you're a business owner, a manager, or anybody pursuing success.

I've created a model that defines that behavior between two extremes. At one end is the "promoter," who confidently pursues opportunity without worrying whether he or she has enough resources. At the other end is the "trustee," who thinks first about the resources at hand and seeks opportunities based on that inventory.

Nobody is a pure promoter or a pure trustee. But the entrepreneur leans toward the promoter end of the spectrum, consistently making decisions based on the opportunities.

What are the most important ideas to communicate when you teach entrepreneurship?
There are four basic things you do in teaching this. One, transmit some knowledge: a minimum of tax law, something about securities regulation, a few techniques of financial analysis.

Secondly, there are some skill issues that we should teach in entrepreneurship. One is presentation. I would argue that most of life is selling. Selling myself to my banker, selling my product to a customer, selling myself to my suppliers.

A third idea we work to communicate is that there are alternatives, many different solutions to a problem. In fact, there are many different forms of entrepreneurship. People must see that there are a wide, wide variety of things they can do. I have a friend who just owns 15 Taco Bells. But I think he's done pretty well.

The last thing you try to create is a set of attitudes. There are three attitudes that every entrepreneur has to have. One is that behind every situation is an opportunity for improvement. Whatever I look at, I ought to figure out a way to do it better.

A second attitude is, I have a personal responsibility for bringing that out. No matter how much I lack in resources, I'd better do something today to bring about that improvement.

SUCCESS APRIL 1993

The Path to Power

Stevenson defines entrepreneurship as "a process by which the vision of opportunity is pursued." In the course of a career, or a lifetime, people become more and less entrepreneurial, depending on their own abilities and the pressures around them.

All business behavior, and all decision making, falls in a range between two extremes that can be seen as opposite poles: the promoter and the trustee. Mental attitude makes the difference.

An entrepreneur is much more a promoter; with a mental attitude that says, "I can make it happen." Administrators lean toward the trustee's approach: "I must hang on to what I have."

These charts illustrate the six critical aspects of business behavior. In each case, the entrepreneur tends to be affected more by the pressures of the promoter; the administrator tends to make decisions by reacting to the pressures of the trustee.

The first aspect, strategic approach (figure 1), demonstrates why so many people wrongly characterize entrepreneurs as risk takers. In fact, by using other peoples' resources rather than commit their own, most entrepreneurs reduce risk.

The ways in which both commitment to opportunity (2) and the commitment of resources (3) are done also show the difference between entrepreneurs and managers. The promotor is first to take the beach, acting quickly, and jumping on an opportunity. The trustee is slow to act, but the commitment tends to be more durable.

Examining control of resources (4) explodes another stereotype: that entrepreneurs are exploitative. The promoter doesn't get buried in levels of management structure, but freely wields the skills, talents, and ideas of others. The entrepreneur gets the flexibility needed to take advantage of shifting opportunities.

So entrepreneurial management structure (5) is flexible, with informal networks, granting more independence to employees. The trustee creates a formal hierarchy, defining authority and responsibility and creating a culture that restricts creativity.

Finally, the promoter—and the entrepreneur with promoter attitudes—has a much more value-driven reward philosophy (6). Workers who produce more get paid more. The trustee rewards seniority and status, not performance.

Promoter	**STRATEGIC ORIENTATION**	**Trustee**
Driven by perception of opportunity	⟷ Entrepreneurial Domain ⟷ Administrative Domain	Driven by resources currently controlled

Pressures toward this side		Pressures toward this side
Diminishing opportunity streams; Rapidly changing: Technology Consumer economics Social values Political rules	**Figure 1**	Social contracts; Performance measurement criteria; Planning systems and cycles

Promoter	**COMMITMENT TO OPPORTUNITY**	**Trustee**
Revolutionary with short duration	⟷ Entrepreneurial Domain ⟷ Administrative Domain	Evolutionary of long duration

Pressures toward this side		Pressures toward this side
Action orientation; Short decision windows; Risk management; Limited decision constituencies	**Figure 2**	Acknowledgement of multiple constituencies; Negotiation of strategy; Risk reduction; Management of fit

Promoter	**COMMITMENT OF RESOURCES**	**Trustee**
Multistaged with minimal exposure at each stage	⟷ Entrepreneurial Domain ⟷ Administrative Domain	Single-staged with complete commitment upon decision

Pressures toward this side		Pressures toward this side
Lack of predictable resource needs; Lack of long-term control; Social needs for more opportunity per resource unit; International pressure for more efficient resource use	**Figure 3**	Personal risk reduction; Incentive compensation; Managerial turnover; Capital allocation systems; Formal planning systems

Promoter	**CONTROL OF RESOURCES**	**Trustee**
Episodic use or rent of required resources	⟷ Entrepreneurial Domain ⟷ Administrative Domain	Ownership or employment of required resources

Pressures toward this side		Pressures toward this side
Increased resource specialization; Long resource life compared to need; Risk of obsolescence; Risk inherent in any new venture; Inflexibility of permanent commitment to resources	**Figure 4**	Power, status, and financial rewards; Coordination; Efficiency measures; Inertia and cost of change; Industry structures

Promoter	**MANAGEMENT STRUCTURE**	**Trustee**
Flat with multiple informal networks	⟷ Entrepreneurial Domain ⟷ Administrative Domain	Formalized hierarchy

Pressures toward this side		Pressures toward this side
Coordination of key noncontrolled resources; Challenge to legitimacy of owner's control; Employees' desire for independence	**Figure 5**	Need for clearly defined authority and responsibility; Organizational culture; Reward systems; Management theory

Promoter	**REWARD PHILOSOPHY**	**Trustee**
Value-driven Performance-based Team-oriented	⟷ Entrepreneurial Domain ⟷ Administrative Domain	Security-driven Resource-based Promotion-oriented

Pressures toward this side		Pressures toward this side
Financial backers; Individual expectations; Competition	**Figure 6**	Societal norms; Impacted information; Demands of public shareholders

APRIL 1993 SUCCESS

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And the third is an attitude that the experts and the experienced may be wrong. Many times, people with success were told by the experts and the experienced they're crazy.

At Success, we write about such entrepreneurs in an annual issue we call "Renegades." People who defy conventional wisdom to build their success.

It's a funny thing. Don't just say screw the experts, but if you understand why they're wrong, you must take some action.

There's an old story about the woman who cuts off the end of the roast before she cooks it. And her husband watches this for years. He asks why she does that, and she says, "Well, that's the way you cook a roast. That's the way my mother did it."

And he asks his mother-in-law why she does that. "I don't know," she says. "My mother did it that way."

He goes to see the old lady and asks, "Why did you cut off the end of the roast?"

She says, "Because I only had a very short pan." And so, much of practice evolves because Grandma had a short pan.

You seem to be making a case for entrepreneurs to do their own original thinking.

I'll give you a simple example. IBM always said wear a white shirt. A lot of people think that was a stupid rule, but if you understand why they said it, it made sense. They said, look, you will never offend anybody being dressed conservatively. Which is absolutely right. If your job is selling, what you want to do is not have them turned off by your appearance.

Being a renegade just by breaking the rules isn't good. Much more power comes from the capacity for original thinking that causes you to take creative action when other people are simply doing it the same old way.

Is that the core talent of an entrepreneur?

I think the core talent is understanding empathetically the people around them. Asking, "What do I have that they want, which I can get to them?" In many cases, it isn't money. To employees, it can be freedom, recognition, or positive feedback. For customers, it can be a little extra service.

How does entrepreneurship create personal power?

It seems obvious. You always look for improvement, instead of saying it's good enough. You're always asking, what can I do to make it better for the customer? What can I do to make it better for the supplier? That's a critical question.

It also gives you the power to face ambiguity. Every entrepreneur is faced with his or her own impossible task. Do you think Bill Gates set out to take on IBM and win? He might have, but he couldn't be sure it was possible, and he would not have even begun if he'd been behaving like a trustee, asking whether he currently had all the resources for such a task.

I think many entrepreneurs are often entrepreneurs by accident. You know, they got fired. Or they suddenly needed something. A company wouldn't listen to their offer and they discovered a technology.

Can you decide to be an entrepreneur?

Yes. That's why I don't like to say I'm an entrepreneur and you're not. At this particular moment, I may be exhibiting entrepreneurial behavior. Am I an entrepreneur or not?

I've engaged in entrepreneurial activity, but I would argue that some days I'm a great trustee.

So what you're saying is that people will change from being entrepreneurial to being nonentrepreneurial. Sometimes daily.

Not only that, but success often makes you less entrepreneurial. Because when you start out, if you're poor, it's very easy to have a totally opportunity-driven strategy. You have no resources to protect.

I happen to believe it's stupid, in the long run, to protect existing resources. To quote Bill Foster of Stratus Computer Inc., "Either we obsolete ourselves or our competitors will."

So we always want to be entrepreneurial, at least in the sense of pursuing opportunity.

Because opportunities change. As soon as you start asking what you can do with the resources you have, you start doing the same old things. Generally, those who do that have declining returns over time. You become a railroad company.

Is it possible to make a large organization entrepreneurial?

It's critical that you do because self-renewal is key to survival.

You know, it was easy to be a successful American manager just after World War II. You had all the technology paid for by the Department of Defense. You had 72 percent of the gross world product in your domestic market. You had all the modern manufacturing facilities.

APRIL 1993 SUCCESS

Student Supplement 1

Now, whenever you look around to do more, you discover that other countries are represented and already trying. The turnover of technology is as much as one new high-technology product introduced every 17 seconds.

Are you saying that entrepreneurship gives us the power to beat our competitors?
Absolutely. There was actually a lot of entrepreneurship post-World War II, in the real estate field, for example. Now, entrepreneurship has devolved into manufacturing. Somebody does the manufacturing, somebody else does the distribution, somebody else designs, and you as an entrepreneur put together a team and create world-scale products.

To do that, you have to identify the opportunity and convince the other players that you can deliver what they don't have. And manage the risk.

A lot of this has been helped by the emergence of technology. Think about the mail-order houses, which basically started because they could get orders before they had to buy any merchandise. Their skill was to write letters and do catalogs.

Sears, which had started the mail-order business, is now out of that business because they built it into a huge bureaucracy that couldn't be responsive; whereas independent entrepreneurs built mail order into one of the single most responsive forms of merchandising ever.

So what do we do with our big companies?
I think the problem with our big companies is we train entrepreneurship out of them. You've got to know the future before you can get a proposal in.

Does that mean the big companies are bad for us?
Well, we have a conundrum because we're competing against big companies. We're competing against huge companies; the Hyundais, the keiretsus, which can mobilize tremendous resources. We have a tremendous challenge, which is to compete with scale and preserve flexibility.

Can you make an organization entrepreneurial?
You can restrain some bureaucratic tendencies. I think 3M does a good job. How? By allowing people to access resources fairly easily. If you have an idea, you can get a small amount of resources to pursue it.

Think of Post-its. They were invented because they made this adhesive that didn't work too well, and they forgot about it. Then one day, this 3M technician was in church and a paper fell out of his hymnal. He thought he'd like some way to mark his place without permanently marking the book. So he went back to the lab, took some of this adhesive, put it on a piece of paper, and tried it, and it worked. He started to answer memos by writing notes on these little sheets. He gave some pads of this stuff to the executives' secretaries.

Then he stopped sending them pads because he had no budget to make them. The secretaries started to complain to their bosses. And the president of 3M argued that maybe they ought to make some more. If his secretary became addicted to it, maybe some other secretaries might.

Think of what a difference it makes that he was able to get those resources. Now it's a huge business, but imagine going into a board of directors in a standard company and saying, "I found this adhesive that doesn't work well. We're going to stick it on pads of paper and charge 79 cents."

Let's see. We charge 39 cents for a real pad that is stuck together well, and 79 cents for this little thing. And we're going to create a $400-million business in 10 years. You would be laughed out of the boardroom.

Can you always defeat the competition by being more entrepreneurial than they are?
That's not all there is to it. Success and entrepreneurship are not equivalent. Many entrepreneurs are successes, but many entrepreneurs are failures. That's one of the most important things that I teach my students. I think one of the biggest impediments to entrepreneurship is the fear of failure. It restricts the pursuit of opportunity.

Done right, you can survive failure. One of my friends comes to class and talks about the day he went bankrupt.

He was a supplier to the building business. He leveraged himself up very highly, and in one year, building starts in his county went from 3,000 to six.

He worked his way through the bankruptcy, started another business, and is reasonably successful. More importantly, his kids are very successful.

He tells the students a story about what he calls one of life's greatest lessons. He stiffed the local gas station for $79 and was ashamed to go in. So he started to buy gas somewhere else. He was driving through the town, and the guy walked out and flagged him down and said, "Fred, I think I'm your friend, and I know you owe me money that you cannot pay, but it doesn't help me that you're buying gas from my competitor. We're friends, aren't we?"

To me, that's one of the lessons you try to teach. No success is permanent and no failure is final.

Life is a journey, not a destination. I think that's what entrepreneurship is about. It's treating the

SUCCESS APRIL 1993

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activities as a journey. It's not about the destination of being the richest person in the cemetery.

You argue for entrepreneurial behavior in every aspect of career, in every aspect of life.

Yes. Absolutely. And it is not just money. Take the case of Marvin Bower, who reformed the consulting firm McKinsey & Co. in 1939. In 1956, when Marvin owned a sizable piece of the company, the total revenues were $3 million. This year, Marvin owns zilch, but the revenues are $1.3 billion. He has made a nice amount of money and he is still the grand old man of the company.

Compare that with the Steinberg grocery chain. Sam Steinberg founded Steinberg's in Montreal and grew it so that it was eventually sold for $1.8 billion. His kids, after taxes, took home $100 million apiece. But they didn't all go to their mother's 80th birthday party.

To me, the issue is, what is an opportunity? Sam had died by this point. What would he think? The family was lost. Would he define this as success?

How did you come to this understanding?

I actually wrote the framework on the back of a symphony program one evening. I was trying to explain a couple of things that had always bothered me.

People were defining entrepreneurship as a person. Either you are or you're not. To me, most of life is a spectrum. Saying either you are or you're not avoids understanding.

So you concluded that leaning toward promoter attitudes is the most powerful means for pursuing success and avoiding pitfalls?

Yes. This is what many successful people do, whether they are business owners, artists; or professors. They look for opportunity, for something that hasn't been done.

Is it possible to lean too far over to the promoter viewpoint?

You obviously need some balance. As many big companies have amply demonstrated, you can't make widgets on Wednesday and waffles on Thursday and be successful. There's something important to knowing your territory.

Successful entrepreneurs know their business, but they don't get married to the previous concepts of the business. It's a curious challenge, because to be a successful entrepreneur, you have to know your business in detail. You have to know your customers and economics. But that doesn't mean you can be locked into those as they were.

Is it imperative to seek change?

Absolutely. Entrepreneurs have a great disrespect for the past. They create change. Whatever people think is right, they think can be better.

Is that the attitude that distinguishes an entrepreneur from somebody else?

What an entrepreneur says is, "For what opportunity do I have an unfair advantage?"

You don't want to compete in a fair game as an entrepreneur. What I want is something for which I control the edge. I want to pursue the opportunity for which I have an unfair advantage. If it's real estate, it's on a critical corner; if it's a service concept, I've got a better means of motivating and training my employees.

It's exactly the antithesis of the economists who believe in perfect markets. Do you know the story about the economist who saw a $50 bill on the ground? He wouldn't pick it up, because if it were real, somebody else would have.

I think entrepreneurs have that sort of faith. Maybe it's ego, but it's also a faith that I can perhaps recognize things that other people wouldn't see.

SUCCESS *senior editor Michael Warshaw is a student of entrepreneurial management.*

APRIL 1993 SUCCESS

What Is an Entrepreneur?

Student Supplement 2—Self-Inventory—Secondary Student

Introduction

We all have certain *interests*—things, subjects, or activities in life that we like to do, or things that make us happy. Conversely, we all have certain things, subjects, or activities that we dislike.

We all also have certain *aptitudes*—a talent or potential for being able to do something—and *skills*—activities we know how to perform because we have been trained to do them and have practiced doing them. And, we all hold certain *values*—personal judgments concerning the importance or worth of a thing or quality.

Each occupation has certain requirements that are necessary in order for a person to be able to perform tasks within that occupation successfully.

By figuring out your interests, dislikes, aptitudes, skills, and values and then comparing them to requirements necessary for success in an occupation, you can learn much about possible career options you may choose to investigate.

One method you can use to discover your interests, dislikes, aptitudes, skills, and values is through an informal self-inventory. Self-inventories often consist of open-ended statements or questions that ask you to examine your preferences in specific areas.

For example, to discover and examine your **interests** and **dislikes**, you might be asked questions such as: Do you prefer to spend your time with people? Or do you prefer to work on problems—maybe by writing, thinking, daydreaming, or reading? Do you spend most of your time tinkering with machines, doing carpentry, cooking, or working on a car? What activities did you enjoy as a child? What courses do you enjoy? What are your hobbies?

Such questions can give you clues about your career interests. If you answer that you enjoy courses that include lots of discussions, you might like working with people. Or if you answer that you like to work alone on projects, you might prefer working with data or things.

In examining your **aptitudes**, you may be asked questions over three aptitude areas: school-subject, physical, and mental.

Student Supplement 2

Questions that can help you identify your aptitudes in school subjects might include: Which subjects are most enjoyable for you? In which do you receive the best grades? Which subjects are most difficult for you? In which did you receive the poorest grades? A good analysis of your school subjects will provide you with many clues to your aptitudes.

You should also analyze your physical aptitudes, since these also may affect your occupational choice. Questions that help you analyze this aptitude area include: What is your personal energy level? Are you basically healthy? Energetic? Alert?

A third aptitude area to examine is your mental capabilities. Can you add, subtract, multiply, and divide numbers easily? Can you work with fractions? Can you communicate effectively and easily?

Skills are often thought of as activities that have to do with manual training. Such skills as typing, sewing, carpentry, repairing an engine, and operating a cash register are easy to identify. However, other skills are also important and should be included in your skills analysis. The following questions can be useful in your skills analysis: Have you had any special training or experience in communication, such as public speaking or debate? Have you had special training in music, such as piano or singing lessons? Have you had special training or experience in working with people such as volunteer work for charitable organizations? What special training have you had in foreign languages, science, technology education/industrial arts, mathematics, marketing education, home economics, fine arts, etc.? These subjects may have provided you with the skills that are needed for various occupations.

You do not think about your **values** a lot. They are usually learned from your parents and you live by them automatically. But examining your values is an important aspect of making wise decisions that will help you gain more satisfaction from your future occupations.

Values are things people believe important or worthwhile. The following are nine things that people value and may also affect their job satisfaction.

- High pay
- Security (not having to worry about losing your job)
- Independence (being able to work alone)

Student Supplement 2

- Routine (having a regular way of doing things)
- Variety (having many different things to do)
- Authority (having power over others)
- Creativity (being able to use your imagination)
- Respect (feeling important or recognized)
- Contribution to society (being able to change society for the better)

Asking you to rank these nine values has been found to be a good way of helping you examine the work values that are important to you.

Self-inventory

Directions Your goal in this exercise is to get enough information about yourself so that you can define your interests, aptitudes, skills, and values. To do so, complete the following five-part self-inventory, then discuss your answers with someone whose opinion you respect.

Part A Interest inventory

1. Do you like to work with people?

   Yes ______ No ______

2. Do you like to work on mechanical things?

   Yes ______ No ______

3. Do you like to work with facts and figures?

   Yes ______ No ______

4. Do you like to discuss important issues?

   Yes ______ No ______

5. Do you like being outdoors?

   Yes ______ No ______

Student Supplement 2

6. Do you like to read?

Yes ______ No ______

7. Do you like to write?

Yes ______ No ______

8. What three school subjects have you liked best? Why?

Subject a. ______

Reasons for liking subject ______

______

______

Subject b. ______

Reasons for liking subject ______

______

______

Subject c. ______

Reasons for liking subject ______

______

______

9. What three school subjects have you liked least?

Subject a. ______

Reasons for disliking subject ______

______

______

Student Supplement 2

Subject b. ______________________________

Reasons for disliking subject ______________________________

____

____

Subject c. ______________________________

Reasons for disliking subject ______________________________

____

____

10. If you have participated in any school activities, organizations, or clubs, which two have you liked best and why?

Organization a. ______________________________

Reasons for liking organization ______________________________

____

____

Organization b. ______________________________

Reasons for liking organization ______________________________

____

____

11. If you have participated in any school activities, organizations, or clubs, which two have you liked least and why?

Organization a. ______________________________

Reasons for disliking organization ______________________________

____

____

Student Supplement 2

Organization b. ______________________________

Reasons for disliking organization ______________________________

____

____

12. What two activities do you most like to do in your spare time?

Activity a. ______________________________

Activity b. ______________________________

13. What two chores or tasks at home, on the job, or in volunteer work do you really enjoy?

Chore/task a. ______________________________

Chore/task b. ______________________________

14. What three things have you liked most about school?

a. ______________________________

b. ______________________________

c. ______________________________

15. What three things have you liked least about school?

a. ______________________________

b. ______________________________

c. ______________________________

Part B Aptitudes inventory

1. In which three school subjects do you do your best work or receive your best grades?

Subject a. ______________________________

Subject b. ______________________________

Subject c. ______________________________

Student Supplement 2

2. In which three school subjects do you have the most difficulty or receive your poorest grades?

Subject a. ______________________________

Subject b. ______________________________

Subject c. ______________________________

3. Can you write clearly and correctly?

Yes ______ No ______

4. Can you add, subtract, multiply, and divide?

Yes ______ No ______

5. Can you work with fractions and percentages?

Yes ______ No ______

6. Are you comfortable when talking with people?

Yes ______ No ______

7. Are you able to give a speech?

Yes ______ No ______

8. Do you read well and understand what you've read?

Yes ______ No ______

9. Do you get along well with people?

Yes ______ No ______

10. Do you have musical or artistic talent?

Yes ______ No ______

11. Are you good in athletics?

Yes ______ No ______

Student Supplement 2

12. Have you been a leader or held a responsible office in any organization?

Yes ______ No ______

Part C Skills inventory

1. What business, office, or industrial machines can you operate?

____

____

____

2. What special training in communication, social skills, or the fine arts have you received?

____

____

____

3. What special training have you received in subjects you have taken in school?

____

____

____

Part D Values inventory

The following are nine items many people value in their work. On the blanks beside the items below, rank from 1 to 9 the things you want most from your work.

______ High pay

______ Security

______ Independence

______ Creativity

______ Routine

______ Variety

______ Authority

______ Respect

______ Contribution to society

Student Supplement 2

Part E Evaluation

1. Considering your answers to the interest inventory above, what are your three main interests?

   Interest a. ____________________

   Interest b. ____________________

   Interest c. ____________________

2. Considering your answers to the aptitude and skills inventories above, what three things do you do well?

   a. ____________________

   b. ____________________

   c. ____________________

3. Reviewing your ranking of the values inventory above, list the three things you value most from work.

   a. ____________________

   b. ____________________

   c. ____________________

4. Share the information you have recorded in this exercise with your guidance counselor, vocational-education teacher, parents, or anyone else you trust. On the blanks below, list any aptitudes, interests, skills, or values you discover as a result of this conversation.

   ____

   ____

   ____

   ____

   ____

   ____

Introduction and Sections A, B, and C of self-inventory adapted from *Getting the Job* by Richard L. Lynch, Gregg Division, McGraw-Hill Book Company, copyright 1977.

What Is an Entrepreneur?

Student Supplement 3—Self-Inventory—Adult

Introduction

Many people dream of having their own business. But making that dream a reality takes preparation, dedication, knowledge, skill, and hard work. As an entrepreneurial business owner or employee, you will need to know yourself in order to overcome many challenges in achieving the goal of a successful and profitable business.

Self-inventory

Part A **Identify individual reasons for becoming an entrepreneur**

Directions Identify with a check mark the reasons that you would like to be an entrepreneur.

______ 1. Want freedom from 9-to-5 work day.

______ 2. Want to be own boss.

______ 3. Feel unchallenged by your present job.

______ 4. Desire an improved standard of living.

______ 5. Want the flexibility of doing what you want.

Part B **Identify individual personality traits**

Directions Starting your own business requires certain personality traits. The following questions deal with your individual traits. Carefully consider and answer each question objectively.

Yes No

____ ____ 1. Are you a leader?

____ ____ 2. Do you like to make your own decisions?

____ ____ 3. Do you ask others' opinions when making decisions?

____ ____ 4. Do you enjoy competition?

____ ____ 5. Do you have self-discipline?

____ ____ 6. Do you plan ahead?

Student Supplement 3

Yes No

____ ____ 7. Do you like people?

____ ____ 8. Do you work well with others?

____ ____ 9. Do you like paperwork?

____ ____ 10. Do you set goals?

Part C **Identify emotional, physical, and financial conditions of entrepreneurship**

Directions To be a successful entrepreneur requires you to make demands of yourself emotionally, physically, and financially. Evaluate each of the following questions. Check the answer (yes or no) appropriate to you.

Yes No

____ ____ 1. Beginning your own business may require working 12 to 16 hours a day, 6 days a week, possibly including Sundays and holidays. Do you have ability to handle such a workload?

____ ____ 2. Do you have the physical and emotional strength to handle the strain of such a workload?

____ ____ 3. Beginning your business may require you to lower your standard of living until your company is established. Would you be able to lower your standard of living?

____ ____ 4. Is your family also willing to lower their standard of living?

____ ____ 5. Are you prepared to lose all your investments?

____ ____ 6. Are you prepared to overcome any failure or setbacks?

Student Supplement 3

Part D Identify individual skills and aptitudes

Directions Certain skills and aptitudes are essential to becoming a successful entrepreneur. In answering the following questions, you will be evaluating your strengths and weaknesses. Consider each of the following questions. Check the answer (yes or no) appropriate to you.

Yes No

____ ____ 1. Are you aware of the basic skills you will need to successfully operate the business you want to start?

____ ____ 2. Do you have those skills?

____ ____ 3. When hiring employees, will you be able to determine if their skills meet the requirements of the business you want to start?

____ ____ 4. Do you have any experience as a manager or supervisor?

____ ____ 5. Have you had any business education or business experience?

____ ____ 6. Have you worked in a business similar to the one you want to start?

____ ____ 7. If you find you lack the basic skills required for the business you want to start, are you willing to delay your plans until you have received training?

____ ____ 8. If you find an area of weakness, are you able to recognize that weakness and are you willing to hire someone who is qualified?

Student Supplement 3

Part E Evaluation

1. Considering your answers to the inventory above, list interests, aptitudes, values, and skills you may have discovered through taking the inventory.

Student Supplement 3

2. Share the information you have recorded in this exercise with anyone you trust. On the blanks below, list any aptitudes, interests, skills, or values you discover as a result of this conversation.

What Is an Entrepreneur?

Assignment Sheet 1—Profile the Personality Traits of Successful Entrepreneurs and Intrapreneurs and the Characteristics of Entrepreneurial Businesses

Name ______________________________ Overall rating ______________

Evaluation criteria	Rating
Directions have been followed.	_____
Content of information provided in reading checks in Part A and B is relevant, well organized, and reflects understanding of the materials presented in the information sheet, Objectives 1 through 6, and Student Supplement 1.	_____
Content of profiles provided in Part C is relevant, well organized, and reflects understanding of the articles summarized.	_____

Introduction

Almost every business magazine, business newspaper, and even the business section of your daily newspaper is full of articles talking about the "new phase" in the way businesses operate in today's world economy and the importance of entrepreneurial businesses in this new phase. So, most people have become familiar with seeing the words *entrepreneur, intrapreneur*, and *entrepreneurial business* in print. However, few people in the general public really understand these terms—few can state definitions for the words or describe the personality traits and attitudes common to entrepreneurs.

Your goal in this assignment is to read and analyze an article on Howard H. Stevenson, Harvard Business School's expert on entrepreneurship, and from this article (1) develop clear definitions of the words *entrepreneur, intrapreneur*, and *entrepreneurial business*, and (2) profile the personality traits of the successful entrepreneur and the characteristics of an entrepreneurial business.

Exercise

Part A **Analyze an article describing successful entrepreneurs and entrepreneurial businesses**

Reading assignment

Read the information presented in the following components.

Information sheet

- Objectives 1 through 4

Student supplement

- Student Supplement 1, "The Mind-Style of the Entrepreneur"

Assignment Sheet 1

Activity checklist Put a check mark on the blank before each activity below as you complete it.

______ 1. Your instructor will divide your class into groups of two, and you will work with your group partner to **answer the items in Reading Check 1 below**.

______ 2. Turn your answer sheets in to your instructor for **evaluation**.

______ 3. Your instructor will return your answer sheets with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your answer sheets to your instructor for **final evaluation**.

Reading Check 1—"The Mind-Style of the Entrepreneur"

1. According to Howard Stevenson, why do most people become entrepreneurs?
2. According to Stevenson, what economic and technological changes have lead to more people taking the risk of becoming entrepreneurs?
3. How does Stevenson define an *entrepreneur*?
4. Stevenson believes that all business decision making falls in a range between two extremes: the promoter and the trustee. What are the personality traits of the promoter? What are the personality traits of the trustee?
5. What skills and attitudes does Stevenson believe all entrepreneurs need?
6. What does Stevenson say is the core talent of an entrepreneur?
7. How does Stevenson believe entrepreneurship creates personal power?
8. Why does Stevenson believe all businesses must be entrepreneurial in the sense of pursuing opportunity?
9. What does Stevenson say is the biggest impediment to entrepreneurship and why does he think so?
10. What does Stevenson say is the attitude that distinguishes an entrepreneur from somebody else?

Assignment Sheet 1

Part B **Describe successful intrapreneurs**

Reading assignment Read the information presented in the following components.

Information sheet

- Objectives 1 through 4

Student supplement

- Student Supplement 1, "The Mind-Style of the Entrepreneur"

Activity checklist Put a check mark on the blank before each activity below as you complete it.

_____ 1. Work with your group partner to **answer the item in Reading Check 2 below**.

_____ 2. Turn your answer sheet in to your instructor for **evaluation**.

_____ 3. Your instructor will return your answer sheet with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your answer sheet to your instructor for **final evaluation**.

Reading Check 2

In "The Mind-Style of the Entrepreneur," Stevenson argues that in order to be a success, people must model entrepreneurial (promoter) attitudes and behavior in every aspect of career, in every aspect of life. Entrepreneurs, then, are not just business owners. What personality traits would you expect Stevenson to use in describing a successful intrapreneur?

Part C **Profile successful entrepreneurs, intrapreneurs, and entrepreneurial businesses**

Reading assignment Read the information presented in the following components.

Information sheet

- Objectives 1 through 6

Assignment Sheet 1

Reading assignment (cont.)

Assignment sheet

- Assignment Sheet 1—Review your group's answers to the items in Reading Check 1 and Reading Check 2 in Parts A and B of this assignment sheet

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. Your instructor will provide you with a list of resources to use in doing research on entrepreneurship. From this resource list, you and your group partner should **read a total of at least six articles** (perhaps three articles each) describing entrepreneurs, intrapreneurs, and entrepreneurial businesses. Provide your instructor with a photocopy of each article, and a **summary you have written** of the contents of each article.

______ 2. Profile entrepreneurs and intrapreneurs. To create this profile, **write a paper in which you define** in your own words the terms *entrepreneur* and *intrapreneur*, and then, **compare** the personality traits of an entrepreneur to those of an intrapreneur (tell how they are alike and how they are different).

______ 3. Profile an entrepreneurial business. To create this profile, **write a paper in which you define** in your own words the term *entrepreneurial business*, and **list** the characteristics of a successful entrepreneurial business.

______ 4. Turn your photocopies, summaries, and profiles in to your instructor for **evaluation**.

______ 5. Your instructor will return your papers with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your papers to your instructor for **final evaluation**.

What Is an Entrepreneur?

Assignment Sheet 2—Profile Your Entrepreneurial Personality Traits

Name ______________________________ Overall rating ____________

Evaluation criteria	**Rating**
Directions have been followed.	_____
Seriousness of effort was demonstrated in completing appropriate self-inventory.	_____
Content of written personal profile is relevant, well organized, and reflects understanding of the materials presented in the information sheet and student supplements.	_____

Introduction

In the article you read in Student Supplement 1, "The Mind-Style of the Entrepreneur," Howard Stevenson says that you can't build a single psychological profile of the entrepreneur because there are too many examples that break the rules. But, he goes on to state that successful entrepreneurs do exhibit certain behaviors, skills, values, and attitudes than can help in placing them somewhere on a scale between a *promoter* and a *trustee* and that anybody can learn more promoter behaviors.

Your goal in this assignment is to assess your present behaviors, skills, values, and attitudes, and then, write a self-profile of your entrepreneurial personality traits.

Exercise

Reading assignment

Read the information presented in the following components.

Student supplements

- Student Supplement 2, Self-Inventory—Secondary Student
- Student Supplement 3, Self-Inventory—Adult

Assignment sheet

- Assignment Sheet 1 — Review your answers to the reading checks in Part A and B of the assignment and the profile of an entrepreneur you completed in Part C of the assignment

Assignment Sheet 2

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. Locate the self-inventories in Student Supplements 2 and 3. Select and **complete the self-inventory** appropriate for your age group.

______ 2. Profile your entrepreneurial personality traits. To create this profile, **write a paper in which you compare** your personality traits to those of the successful entrepreneur you profiled in Assignment Sheet 1.

- Tell what personality traits you have that are like those of a successful entrepreneur.
- Discuss the personality traits you need to develop in order to become more like a successful entrepreneur.

______ 3. Turn your profile in to your instructor for **evaluation**.

______ 4. Your instructor will return your profile with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your profile to your instructor for **final evaluation**.

What Is an Entrepreneur?

Assignment Sheet 3—Profile a Successful Entrepreneur and His or Her Entrepreneurial Business

Name ______________________ Overall rating ____________

Evaluation criteria	**Rating**
Directions have been followed.	______
Content of information provided in Part A is relevant and well thought out.	______
Content of written profile provided in Part B is relevant, well organized, and reflects knowledge of the materials presented in the information sheet and Student Supplement 1.	______

Introduction

Every community or local area has a number of entrepreneurial businesses. And, nearly all communities or areas have agencies organized to assist with economic development through entrepreneurship. In this activity, you will become more familiar with the agencies that assist entrepreneurs, the entrepreneurial businesses in your local area, and how those businesses affect your community's economy.

Exercise

Part A **Identify local entrepreneurial businesses**

Reading assignment

Read the information presented in the following component.

Information sheet

- Objectives 1 through 6

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

_____ 1. Your instructor will divide your class into groups of two, and provide each group with a list of local agencies organized to assist economic development through entrepreneurship. You and your group partner will work with your instructor to **select one agency** appropriate for your group to contact.

Assignment Sheet 3

Activity checklist (cont.)

______ 2. You and your group partner will **contact your selected agency** and **compile a list** of the entrepreneurial businesses/business owners the agency works with in the local area.

______ 3. Turn in your list to your instructor and work with him or her to **identify a business** from the list that would be appropriate for your group **to contact**.

Part B Profile an entrepreneur and his or her entrepreneurial business

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. **Schedule an interview** with the entrepreneur of the business you were assigned in Part A of this assignment. During the interview, ask the entrepreneur to discuss the items in the **Interview Outline** on the next page.

______ 2. After the interview, use the information obtained to **write a paper that profiles** the entrepreneur and his or her business.

Your instructor will provide you with guidelines explaining the format of the finished report. This assignment will be collected and retained in a portfolio that will become a record of the progress you have made in your study of entrepreneurship.

______ 3. Turn your paper in to your instructor for **evaluation**.

______ 4. Your instructor will return your profile with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your profile to your instructor for **final evaluation**.

Assignment Sheet 3

Interview Outline

Part A: Entrepreneur's profile

1. What made you want to become an entrepreneur?
2. What is your educational background?
3. Who is your mentor or role model? Why is that person your role model?
4. What was your biggest challenge in becoming an entrepreneur? How did you overcome that challenge?
5. Do you consider yourself to be a successful entrepreneur?
6. If you could go back and do things over again, is there anything you would do differently?
7. What are your goals for the future?
8. What characteristics and skills do you think are important for success as an entrepreneur?

Part B: Business profile

1. What is the name of your business and why was this name selected?
2. What type of entrepreneurial business have you established (independent, franchise, sole proprietorship, partnership, corporation, S corporation)? Why did you select this type of business?
3. What category of entrepreneurial business (extractive, manufacturing, wholesaling, retailing, services) have you established? Why did you select this category of business?
4. How long has your business been established?
5. What skills are needed to operate this type of business?
6. What risks are involved in operating this type of business?
7. What characteristics and skills do you look for in the intrapreneurs you hire to work in your business?
8. What type of consumer does your company serve?
9. What contribution does your company make to the economy of the local community?

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ENTREPRENEURIAL THINKING

Entrepreneurial Thinking

Student Edition

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Entrepreneurial Thinking

Objective Sheet

Unit objective

After completing this unit, the student should be able to define the five aspects of entrepreneurial thinking and analyze how these aspects are used by successful entrepreneurs. The student should demonstrate these competencies by completing the assignment sheets and by scoring a minimum of 85 percent on the written test.

Specific objectives

After completing this unit, the student should be able to

1. Match major aspects of entrepreneurial thinking to their correct definitions.
2. Distinguish between definitions of the aspects of creative thinking.
3. Distinguish between definitions of the aspects of logical thinking.
4. Define the aspects of quality thinking.
5. Distinguish between definitions of the aspects of trustworthiness.
6. Match the characteristics of a person with business sense to their correct definitions.
7. Analyze the nature of a recent innovation. (Assignment Sheet 1)
8. Use the tools of logical thinking to analyze a situation. (Assignment Sheet 2)
9. Apply the problem-solving process to improve the quality of a product or service. (Assignment Sheet 3)
10. Analyze the trustworthiness of a person you admire. (Assignment Sheet 4)
11. Analyze the business sense of an entrepreneur in your community. (Assignment Sheet 5)
12. Profile the entrepreneurial thinking skills of a successful entrepreneur. (Assignment Sheet 6)

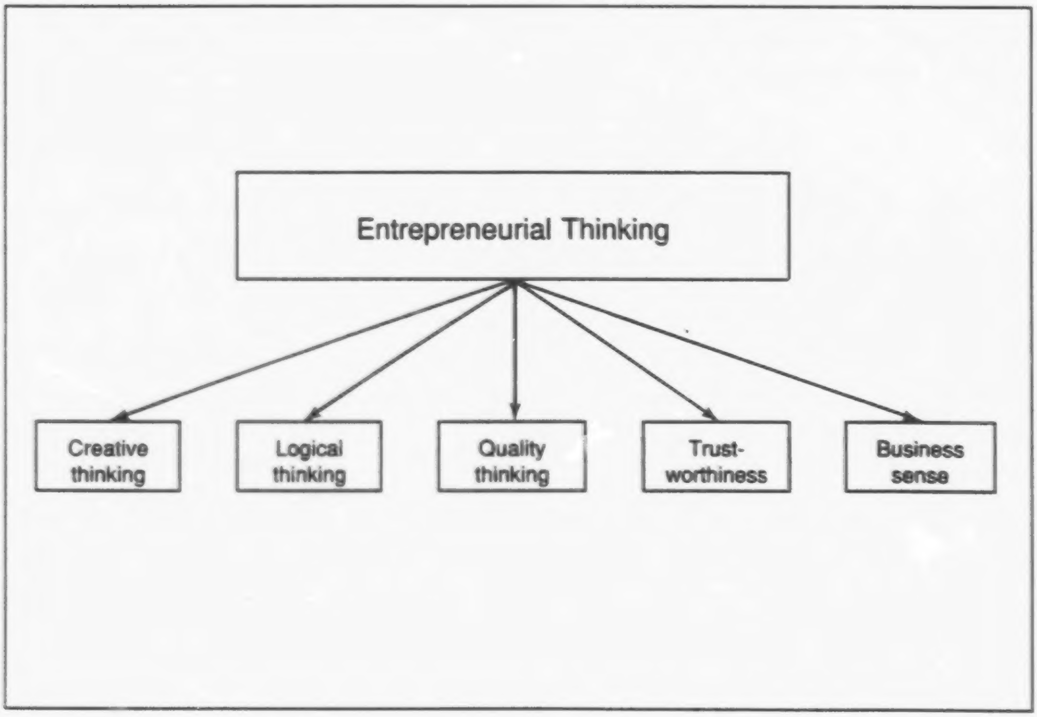
Entrepreneurial Thinking

Information Sheet

1. **Major aspects of entrepreneurial thinking and their definitions** (Figure 1)

- **Creative thinking** — Process of imagining and producing original methods and tools for understanding the world and dealing with it
- **Logical thinking** — Process of gathering factual evidence, analyzing it, and evaluating it
- **Quality thinking** — Process of determining the overall merit of a product/service as determined either by its conformance to specifications or by customer satisfaction
- **Trustworthiness** — Ability to earn the confidence of others based on a combination of integrity and competence
- **Business sense** — Ability to judge customers' wants and what customers will pay to satisfy those wants

Figure 1: The five major aspects of entrepreneurial thinking


Entrepreneurial Thinking
Creative thinking
Logical thinking
Quality thinking
Trust-worthiness
Business sense

Information Sheet

2. **Aspects of creative thinking and their definitions** (see Figure 2)

- **Innovation** — Two-stage process consisting first of *invention* and second of *application*

  Note: *Invention* is "the act of imagining and giving existence to a new product/service or to an improvement in an existing product/service." *Application* is "the act of putting a product/service to practical use." Recognizing the usefulness of or need for a new product/service can be as creative as inventing it. The two types of creativity involved are different, but equally important in innovation. Few people are skilled at both invention and application. Entrepreneurs do not necessarily have to be inventive, but they must have strong creative abilities in application and marketing.

- **Intuition** — Ability to make quick, accurate judgments without factual evidence or, sometimes, contradictory to the factual evidence

  Note: Because entrepreneurs deal with new ventures and innovations, they often find themselves in uncharted territory and must rely on intuitive skills to make decisions.

3. **Aspects of logical thinking and their definitions** (see Figure 2)

- **Analysis** — Process of breaking down an object, process, or theory into its basic parts in order to understand it

- **Evaluation** — Process of determining the relative merits and weaknesses of an object, process, or theory

  Note: Evaluation is not restricted solely to finding faults. True evaluation is concerned equally with finding strengths as well as weaknesses.

  Note: Inductive thinking, deductive thinking, the scientific method, divergent thinking, and convergent thinking are all tools used in analysis and evaluation. See Student Supplement 4.

4. **Aspects of quality thinking and their definitions** (see Figure 2)

- **Conformance to specifications** — Perception of quality from the maker's or provider's point of view

- **Customer satisfaction** — Perception of quality from the customer's point of view; customer-first thinking

  Note: *Quality* is subjective; that is, it exists only as it is perceived by human beings. Even when it is judged according to its conformance to specifications, those specifications are determined by subjectively established standards.

Information Sheet

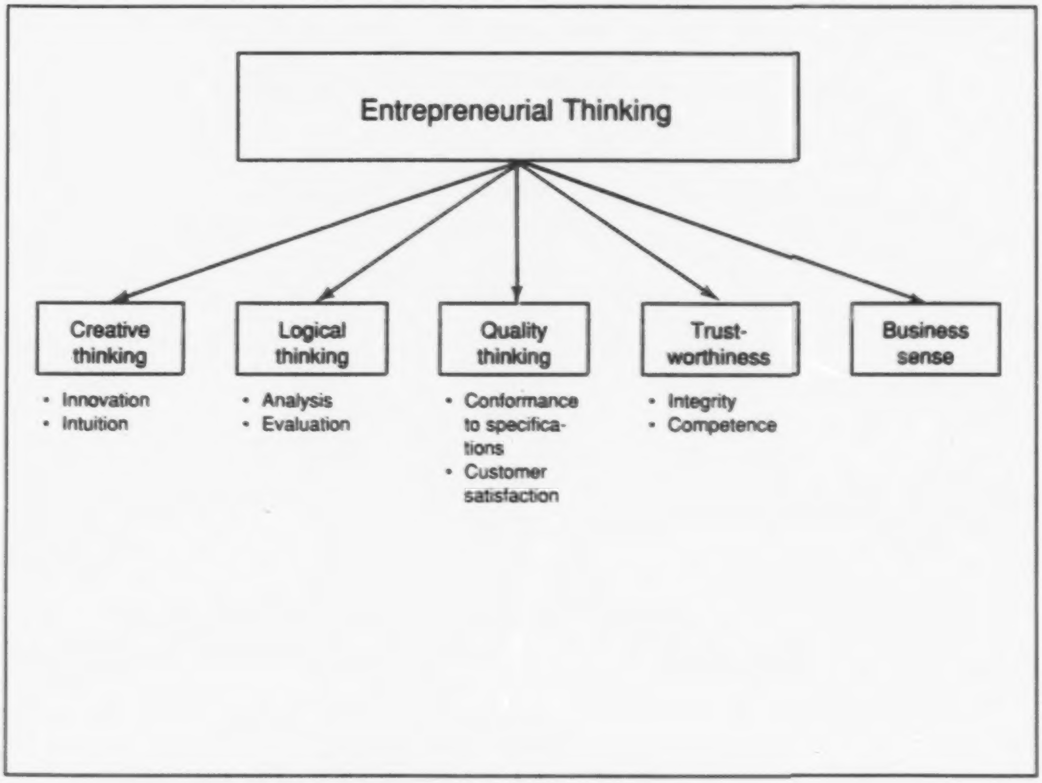
5. **Aspects of trustworthiness and their definitions** (see Figure 2)

- **Integrity** — Personal quality characterized by honesty and reliability; quality demonstrated by a person who is firmly committed to and behaves according to strict moral and ethical codes

  Note: *Morality* is "the generally accepted standards of good and bad as defined by a religion or philosophy and applied to individual behavior." *Ethics* is "the standards for good and bad behavior accepted by a particular cultural body or professional group"; for example, medical ethics, journalistic ethics, business ethics.

- **Competence** — Mental and physical abilities to perform a specific task or job

Figure 2



Entrepreneurial Thinking
Creative thinking
• Innovation
• Intuition
Logical thinking
• Analysis
• Evaluation
Quality thinking
• Conformance to specifications
• Customer satisfaction
Trust-worthiness
• Integrity
• Competence
Business sense

Information Sheet

6. **Characteristics of a person with business sense and their definitions** (see Figure 3)

   - **Tenacious** — Persistently maintaining or adhering to something valued

     Note: Although entrepreneurs are often stereotyped as being driven by money, most successful entrepreneurs are actually driven by their vision of a product/service and they will pursue that vision relentlessly.

   - **Realistic** — Accurately judging both the good and bad qualities of an object or concept without idealization

     Note: Successful entrepreneurs do not overestimate the potential of the product/service. And, they accept their failures and learn from their mistakes.

   - **Able to minimize risks** — Recognizing the potential risks of an enterprise and planning carefully to reduce them

     Note: Entrepreneurs are usually perceived as risk takers; however, because of their confidence in themselves and their faith in their vision of a product/service, they see opportunity primarily, and secondarily, they recognize the potential risks for their enterprise and plan carefully to minimize them.

   - **Mathematically inclined** — Having a tendency or disposition to like numbers and their operations

     Note: Numbers should not be the primary way of evaluating a business' success, either in terms of quality or profitability, but they are indispensable tools in evaluating success and controlling day-to-day operations.

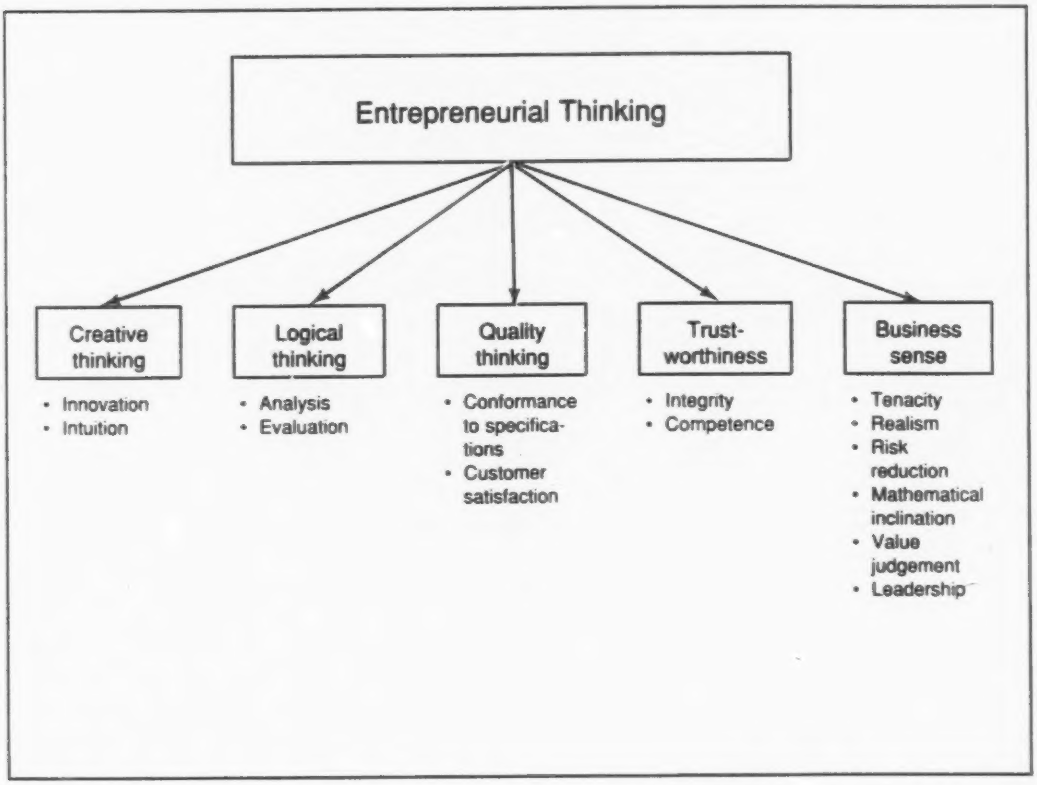
   - **Able to judge value** — Evaluating the quality of a product/service in relation to its price—the higher the quality and the lower the price, the greater the value

     Note: Value is determined according to the individual customer's needs. For example, Personal Computer A may cost more than Computer B, but if Computer A can be expanded and upgraded while Computer B cannot, or if Computer A is fast enough to meet the user's needs while Computer B is not, then Computer A is the better value. On the other hand, if in the foreseeable future the customer will not need Computer A's features of speed, expandability, and upgradeability, then Computer B is the better value for that particular customer.

   - **Able to lead** — Contributing positively to an organization's purposes and goals

Information Sheet

Figure 3


Entrepreneurial Thinking
Creative thinking
• Innovation
• Intuition
Logical thinking
• Analysis
• Evaluation
Quality thinking
• Conformance to specifications
• Customer satisfaction
Trust-worthiness
• Integrity
• Competence
Business sense
• Tenacity
• Realism
• Risk reduction
• Mathematical inclination
• Value judgement
• Leadership

Entrepreneurial Thinking

Student Supplement 1—Tools for Understanding the Creative Process

Introduction

In the information sheet, you learned that *creativity* is "the ability to imagine and produce original methods and tools for understanding the world and dealing with it." We can all understand this simple definition of *creativity*, but theorists have found it a little more difficult to describe the creative process in such simple terms.

Theorists have developed the following set of terms and definitions to describe the creative process. These terms may at first seem complicated, but when understood, they will become tools to help you analyze the aspects of the creative process—innovation and intuition.

Paradigm

A *paradigm* is "a set of rules, theories, and expectations that defines the boundaries of a given concept, activity, or field of knowledge and determines acceptable behavior within those boundaries." For example, carburetion is one paradigm for supplying the fuel mixture to internal-combustion engines. Fuel-injection systems function entirely differently and represent a different paradigm for delivering the fuel mixture.

Paradigm shift

A *paradigm shift* is "a change in a given paradigm's basic framework so profound that it creates a new paradigm as opposed to simply altering an existing paradigm." To continue the example of the carburetor, a carburetor's power and performance can be improved by adding more barrels, and also with electronic technology. Improved carburetors still cannot match the reliability and performance of a good fuel-injection system. The change from carburetion to fuel injection is a paradigm shift.

Paradigm shifter or paradigm pioneer

Futurist Joel Barker uses the term *paradigm shifter* to describe "a person whose creative insights and inventions result in a paradigm shift." Barker then uses the term *paradigm pioneer* to describe "a person who recognizes a paradigm shift and introduces it to the marketplace of ideas, products, or services."

A paradigm shifter is involved primarily with invention. A paradigm pioneer is involved primarily with application. Few people have the combination of creative talents needed to be both a paradigm shifter and a paradigm pioneer. For an entrepreneur to succeed, it is more important to be a paradigm pioneer than a paradigm shifter.

Student Supplement 1

For example, the inventor of fuel injection was a paradigm shifter. When fuel injection was first invented, the people who recognized its importance, manufactured it, and promoted it in the automotive marketplace were paradigm pioneers. Fuel injection is now becoming the automotive standard, and carburetion manufacturers who did not foresee that paradigm shift and adapt to it will be forced out of the market.

Entrepreneurial Thinking

Student Supplement 2—An Example of How to Analyze the Creative Process

The stirrup

To understand the nature of the creative process and its social impact, consider the lowly stirrup. In the late twentieth century, we take stirrups for granted. But many historians consider the widespread use of stirrups to be among a handful of the most important innovations ever.

The stirrup evidently was invented in India around the second century BC. It is first represented in art from that period and appears as a simple thong that wraps around the rider's big toe. It did not evolve into a loop that encircles the entire foot until some five hundred years later, and it did not reach Europe for another five hundred years after that.

When the stirrup was finally introduced there during the ninth century, Europe already was structured on a rudimentary feudal system with a class of nobility by birth. Until then, however, warfare was generally conducted as hand-to-hand combat by foot soldiers or in sieges. Stirrups gave riders much greater stability in the saddle and enabled them to deliver blows to adversaries with the additional force of their charging mounts.

The new "shock warfare" that resulted gave rise to mounted knights, who gained positions of nobility through their accomplishments in combat. This new class of people brought fresh blood into the nobility's existing ranks and enabled the feudal system to flourish in the late Middle Ages and eventually to blossom into the Renaissance.

Path of innovation

The stirrup's story illustrates the path of most significant innovations. Its inventor likely had no idea of its potential for warfare but was probably simply trying to stay in the saddle when riding for pleasure. Only when someone with an entrepreneurial spirit—perhaps a blacksmith or a soldier—realized the stirrup's full potential was it widely adopted, contributing significantly to one of history's greatest paradigm shifts. Its invention preceded its application by more than a thousand years, and the inventor (paradigm shifter) was long out of the picture by the time the earliest knights (paradigm pioneers) introduced its widespread use.

In each stage of its development, the stirrup likely was introduced by an outsider and initially met with resistance. It definitely was brought to Europe by outsiders, and the first person to use it in combat may well have been an unskilled fighter trying to gain an advantage over more skillful adversaries. Similarly, the first person to convert a leather thong around the toe to a loop of iron around the entire foot probably was an inexperienced rider who had not mastered riding with the more primitive version. Likewise, the inventor of the first big-toe loop probably was an unskilled rider, for an experienced equestrian would have been able to stay in the saddle without stirrups.

That first leather thong looped around the big toe shows how quickly and how firmly a paradigm can take hold. It must have been excruciatingly uncomfortable on a ride of any great length, and it offered little real support. But once that configuration was adopted, two hundred years would pass before some ingenious paradigm shifter redesigned it as the much more practical model that survives basically unchanged today.

At any rate, the inventor of the first stirrup almost certainly took a lot of ribbing for not being able to ride without stirrups—that is, until the inventor finally got tired of it and knocked the scoffers out of their saddles.

Entrepreneurial Thinking

Student Supplement 3—Creating Opportunities for Creativity

Introduction

As creative individuals, entrepreneurs have learned to recognize promising ideas when they see them. Knowledgeable entrepreneurs also realize that good new ideas rarely come from out of the blue. Like experienced mineral geologists prospecting for gold, they know the likely places to look for potential new products/services and methodically search them out. (They also bear in mind that some of the richest strikes have been discovered in the most unlikely places.) While keeping an eye open for the improbable, they actively seek entrepreneurial opportunities among the kinds of products/services listed below.

Opportunity 1

Happy accidents. Many products are discovered quite by accident. Old railroad ties, for instance, had little use until some creative person realized they could be put to excellent use in landscaping. Similarly, an entirely new market was created by the individual who realized that the "useless" four-inch-diameter remnants of logs used to make plywood could be treated and used as "landscape timbers."

Opportunity 2

Updating a forgotten or neglected product or business. The phenomenally successful 1980s board game of "Pente" is an example of a forgotten product. Pente was simply a modernized version of an ancient Greek game that was played with pebbles. An employee at a pizza restaurant created it while playing with coins on a checkered table cloth. Another example, diners and drive-in restaurants, which once seemed to be a thing of the past, are making a profitable comeback in many cities.

Opportunity 3

Simplifying an existing product. Personal computers are a good example of simplifying, or "defeaturing," an existing product to make it desirable and affordable for a new market. The mammoth computers of the 1950s, '60s, and '70s, could handle enormous tasks of mind-boggling complexity, but they were useless to average people and beyond their reach. The down-sized personal computers introduced in the 1980s suddenly made computers accessible to everyone and have forever changed business, education, and society in general—and they have made fortunes for many farsighted entrepreneurs.

Student Supplement 3

Opportunity 4 **Creating a spinoff**. The growing CD-ROM market is representative of creating a "spinoff" product that complements but doesn't compete with an existing product. Rather than trying to design and market an entirely new CD-ROM-based computer system, CD-ROM inventors designed it as an external memory device that could be added to existing personal computer systems. The market for CD-ROMs has now grown to the point that most mid- to upper-range personal computers come with internal CD-ROMs or bays where they can be added.

Opportunity 5 **Marketing an existing product**. An editor of two western-history magazines relied heavily on a comb-bound, 160-page photocopy of a history buff's compilation of brief biographies of famous Westerners, with directions for reaching their gravesites. After nearly wearing out a personal copy, the editor finally realized there would be a strong market among western-history enthusiasts for a high-quality, clothbound edition of the book. The book was published and has met with great success.

Opportunity 6 **Adding features to or improving an existing product**. The simple western shirt presented a highly profitable opportunity to Maury Tate. Tate's "Mo' Betta" line of western shirts add the features of durable, high-quality fabrics and unique, distinctive designs.

Opportunity 7 **Marketing new technologies**. Think back to the invention of the iron stirrup and how it must have opened a new world of opportunity for its makers. Futurologists predict that the exploding information industry and related technologies will continue to offer great opportunities for entrepreneurs well into the twenty-first century.

Opportunity 8 **Offering a more complete line of goods/services than anyone else**. How often have you wasted time searching for a store that carried an item you needed? Customers will return to the stores that consistently have the goods they need and avoid those that carry only a limited stock or are often out of stock.

Opportunity 9 **Offering greater value than anyone else**. Futurologists predict that as Americans become more value conscious, entrepreneurs will continue to find opportunities for offering products/services of exceptional value despite the proliferation of discount houses and mass merchandisers. The coming information age will also allow entrepreneurs to personalize products at prices that will be more competitive with those of mass merchandisers.

Student Supplement 3

Opportunity 10

Offering service, parts, and supplies for an existing product. You don't have to make or sell cars to earn a living servicing them or supplying parts for them. You don't have to make or sell computers to earn a living as a consultant telling other people how to use them. And you don't have to make or sell copying machines to earn a living supplying paper and toner for them. Make it a habit to stay abreast of new products and to predict opportunities for providing service and supplies.

Entrepreneurial Thinking

Student Supplement 4—Tools of Logical Thinking

Introduction

Logical thinking is "the process of gathering factual evidence, analyzing it, and evaluating it." Although logical thinking is described as one process, actually, there are many methods of achieving this process. Some of the terms used to describe different methods used in thinking logically are described below.

Induction

You use *induction*, or *inductive reasoning*, when you arrive at a conclusion about a group by examining its individual members. For example, an arborist might observe a number of aspen trees in the fall. The first aspen the arborist observed would have beautiful gold fall foliage. As the arborist observed more and more aspens, their leaves, too, would be golden. At last, after observing many aspens and seeing none with any other color of fall foliage, the arborist could conclude that all aspen trees turn gold in the fall.

The most common error in inductive reasoning is to overgeneralize; that is, to reach an untrue conclusion about a group based on a sample of too few members of that group. For example, the Mega-Burger franchises in my hometown are all successful; therefore, all Mega-Burger franchises are successful.

Overgeneralization about people, or *stereotyping*, can destroy an entrepreneur's greatest asset, the ability to work with others. For instance, entrepreneurs who believe that all accountants are dishonest will probably deprive themselves of ever establishing an effective relationship with an accountant, which can be essential to running a successful business.

Deduction

You use *deduction*, or *deductive reasoning*, when you arrive at a conclusion about an individual member of a group according to a premise about that group. The *syllogism* is a good model for deductive reasoning. It consists of a major premise, a minor premise, and a conclusion. For example,

Major premise: All humans are mortal.
Minor premise: Pat is a human.
Conclusion: Pat is mortal.

Student Supplement 4

A syllogism's accuracy depends upon the truth of its premises and on its premises and conclusion being in the correct order. For instance, a syllogism based on the faulty major premise that all humans have two legs would lead to faulty conclusions about people who have only one leg or no legs. Faulty major premises are the result of overgeneralizing. Another example of a faulty syllogism is

Major premise:	All humans are mortal.
Minor premise:	Pat is mortal.
Conclusion:	Pat is human.

Scientific method

The scientific method is a thinking process consisting of five stages:

1. Recognizing a problem.
2. Gathering data relevant to the problem.
3. Stating a *hypothesis*, or possible solution to the problem.
4. Testing the hypothesis.
5. Arriving at a conclusion.

Recognizing a problem and determining a testable hypothesis require intuitive skills, while gathering data, setting up a test, and drawing a conclusion—the distinctive stages of the scientific method—require logical skills. A key aspect of the scientific method is learning from mistakes. For example, an ice-cream maker who thinks that fudge-sundae chocolate-chip ice cream might sell better in a new brown container than it does in the current white one can test-market the new design under closely controlled conditions and compare its sales to those of the existing design.

Divergent thinking

You use divergent thinking when you find more than one answer to a problem. For example, an entrepreneur who opened a cafe might find that the number of customers was not so high as expected. To increase business, the entrepreneur might consider improving service, adding items to the menu, lowering prices, and increasing the business' advertising and publicity programs. In discovering all of those possible answers to the problem, the entrepreneur is thinking divergently.

Convergent thinking

You use convergent thinking when you consider the various possible solutions to a problem and make a decision. For example, in exploring the different ways of increasing business and deciding which solution—or combination of solutions—would be most cost effective and developing a plan of action, the cafe owner would be thinking convergently.

Entrepreneurial Thinking

Student Supplement 5—Tools of Quality Thinking

Introduction

In Objective 1 of the information sheet, you learned that *quality thinking* is "the process of determining the overall merit of a product/service as determined by either its conformance to specifications or its conformance to customer satisfaction." Quality then is subjective; that is, it exists only as it is perceived by human beings and judged according to their subjectively established standards. Quality of conformance to specifications is judged according to the subjectively established standards of the maker or provider, while quality of *customer satisfaction* is judged according to the subjectively established standards of the customer.

With the growth of the free-market system in the world economy and its increased competitive pressures, quality and its measurement have become more important to an entrepreneur's success than ever before. The United States' recent decline in per capita income has forced customers to demand the greatest value in the products they purchase, and a company whose product/service is of lower quality than the competition's will soon find itself overrun.

The business community has responded with a number of management theories. Some have proven valuable over the long haul; others have been short-lived fads. Presently, many companies are successfully using specification-oriented management systems, but the trend is toward customer-oriented systems. Other innovative, quality-oriented management theories are sure to be introduced in the future.

Conformance to specifications

Businesses that use the conformance-to-specifications system to judge the quality of the product/service they produce usually use a vertical organizational structure. Management sets standards and hands them down to supervisors. Supervisors in turn hand the standards down to workers. The workers who are expected to meet those standards have little input into the process of manufacturing the product or providing the service. Figure 1 illustrates the flow of information in a traditional management system.

Student Supplement 5

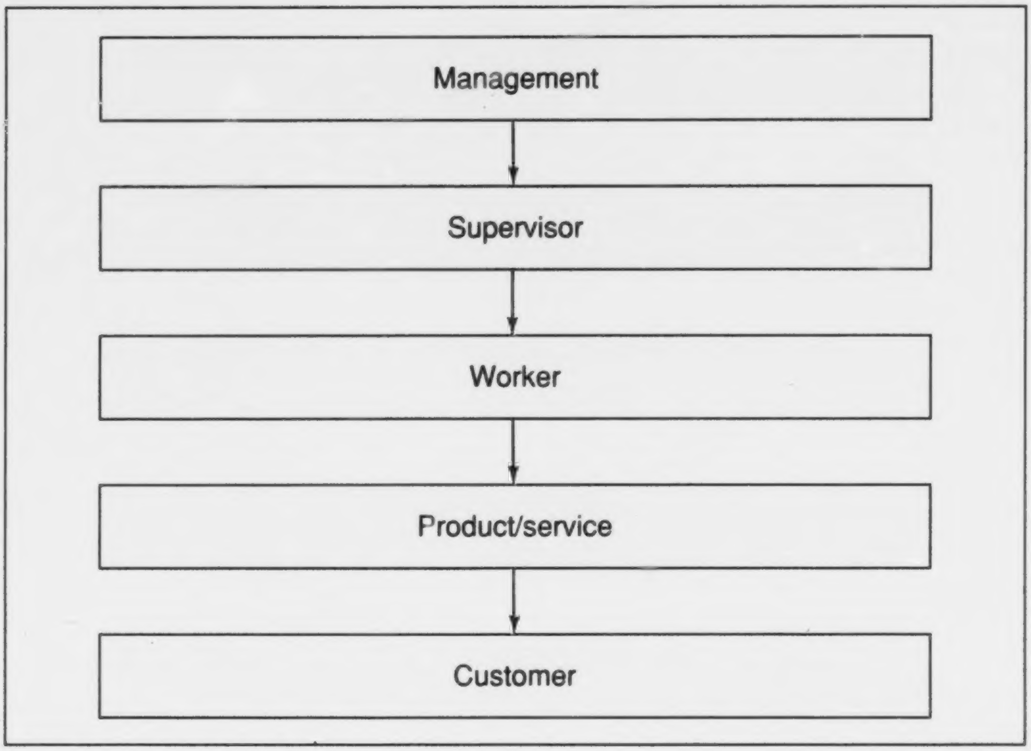


Figure 1: Information flow in a traditional management system

Two of the more common theories of management based on conformance to specifications are

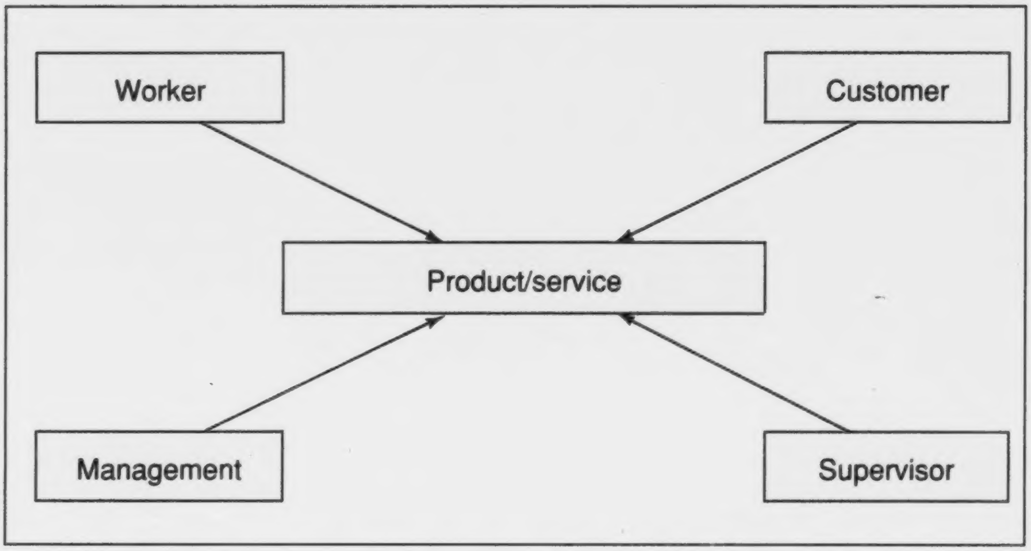
1. Quality control (QC)
2. Management by objectives (MBO)

Customer satisfaction

In comparison, businesses that judge the quality of their products/services according to customer satisfaction tend to be organized more horizontally, with fewer levels of management and greater shared responsibility. The hallmark of any customer-first system is that everyone throughout the organization is encouraged to make suggestions for continually improving the quality of the product/service. Workers are empowered to make decisions, and they thus develop a "my attitude" or feeling of ownership in the company. Managers likewise become involved in the customer's world and in the actual process of manufacturing the product or providing the service. Figure 2 illustrates the flow of information in a customer-first management system.

Student Supplement 5

Figure 2: Information flow in a customer-first system



The three most common names for management based on customer satisfaction are

1. Total quality control (TQC)
2. Total quality management (TQM)
3. Total quality (TQ)

They are all basically the same in their belief that the customer comes first and that every member of the organization should be involved in determining the customer's needs and how best to meet them. In such companies, quality becomes a process not a product.

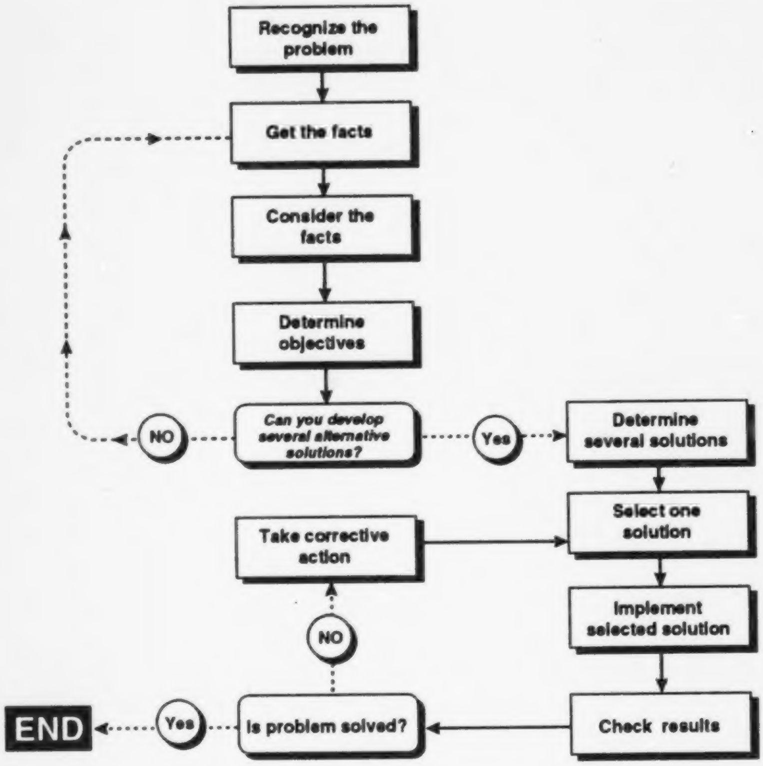
Example The manufacture of a basic, hand-operated can opener demonstrates the difference between judgments based on conformance to specifications or conformance to customer expectations. If the can opener were designed simply according to specifications, then management might determine that to function reliably the can opener should be made of steel and the measurements of its moving parts should be accurate to within one one-hundredth of an inch. Thus, the can opener would be manufactured to those specifications. Quality-control personnel would examine samples from the assembly line to determine if they met the specified measurements. So long as the number of faulty parts or products fell within an "acceptable range" (no more than one faulty part per one thousand manufactured, for instance), management would judge the can opener's quality acceptable.

On the other hand, if the can opener's quality were designed to conform to customer expectations, the manufacturer would first consider who the potential customers were and what they wanted in a can opener. The manufacturer might determine that customers not only expected the can opener to open cans but also to work smoothly and be easy to operate, to last twenty years, and to be reasonably priced. Then the manufacturer would design the can opener and the manufacturing process to meet the customers' expectations. Determining the can opener's overall design, quality of materials, accuracy of measurements, and method of manufacture would be the last stage of the process, and it would focus on creating a product that gave the greatest customer satisfaction. Besides making certain the can opener conformed to specifications before it left the plant, management also would keep close track of customer satisfaction after it was sold.

Entrepreneurial Thinking

Student Supplement 6—The Problem-Solving Process

Problem-Solving Process


Recognize the problem
Get the facts
Consider the facts
Determine objectives
Can you develop several alternative solutions?
NO
Yes
Determine several solutions
Select one solution
Take corrective action
Implement selected solution
NO
Check results
Is problem solved?
Yes
END

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Entrepreneurial Thinking

Student Supplement 7—The Importance of Trustworthiness to an Entrepreneurial Business

Introduction

In Objective 1 of the information sheet, you learned that *trustworthiness* is "the ability to earn the confidence of others based on a combination of integrity and competence." And, in Objective 5 you learned that *integrity* is "the personal quality characterized by honesty and reliability," while *competence* is "the mental and physical abilities to perform a specific task or job." But, just learning these definitions may not make you aware of just how important the personal quality of trustworthiness is to the success of an entrepreneurial business.

Importance of being trustworthy

Personal trustworthiness—a person's integrity and competence—give the entrepreneur a sense of self-esteem and confidence needed to succeed in an entrepreneurial endeavor; enables the entrepreneur to build a company through recruiting, training, and retaining motivated and skilled employees who can solve problems through teamwork within a well-structured system; and secures venture capitalists, employees, and customers for the business.

For example, a computer expert who considers starting a business as a consultant should have the necessary knowledge of computers *and* business skills to operate the firm successfully. If so, the expert will have the self-confidence needed to take the risks (and minimize them) of going into business. High integrity—knowledge of one's moral and ethical standards and ability to maintain them—will also add to the computer expert's sense of self-worth and confidence for long-term success.

After deciding to go ahead with the new consulting firm, the expert will have to convince venture capitalists to fund the enterprise. Any prospective venture capitalist will need to be assured of the entrepreneur's trustworthiness—in this case, strong business ethics, competence with computers, and business skills—before risking money in the venture.

When the firm is up and running, the consultant will have to attract and maintain a clientele. Again, the firm's success will depend upon the consultant's trustworthiness. If the consultant deals with clients honestly and provides workable solutions for their computing needs at a fair price, then the clients will establish a long-term relationship with the firm and recommend it to other potential clients.

Student Supplement 7

As the firm grows, the consultant will need to hire employees. It will be essential that the employees believe their employer is trustworthy. If they believe they are being treated fairly and honestly, they will be much more highly motivated to make a real contribution to the firm and to be as productive as possible. If they believe the consultant is competent in running the business, they will see their employer not merely as a boss, but as a leader. Their willingness to follow their leader will result in a smoother running company, higher employee performance, and greater customer satisfaction.

The firm's growth may also require an infusion of capital. If the entrepreneur has established a reputation for trustworthiness, acquiring the additional funding should not be difficult.

Trustworthiness, then, would be essential to the entrepreneur in creating the confidence and self-image to set out on the venture, in convincing venture capitalists to fund the venture, in convincing customers to pay for the consulting service, and in convincing employees actively to take part in the venture and contribute to its long-term success.

Consequences of not being trustworthy

On the other hand, if an entrepreneur is not trustworthy—either because of incompetence or unethical practices—the venture likely will fail. If venture capitalists perceive the entrepreneur as untrustworthy, they will not fund the business. If customers don't believe the consultant is trustworthy, they will not return and they will steer other prospective clients away from the business. If employees believe the company is being run incompetently, they will lose the motivation to perform competently themselves and they will move on to new jobs as quickly as possible, plaguing the company with high turnover and a workforce that never becomes thoroughly familiar with the business.

Entrepreneurial Thinking

Assignment Sheet 1—Analyze the Nature of a Recent Innovation

Name ______________________________ Overall rating ____________

Evaluation criteria	**Rating**
Directions have been followed.	______
Content of information provided in essay is relevant, well thought out, and reflects knowledge of the information presented in Student Supplements 1 through 3.	______

Introduction

"There is nothing new under the sun."

If that maxim is true, then where do inventions come from? Many theorists contend that inventions are simply new combinations of existing objects or ideas. For instance, in-line roller skates—an invention that now seems obvious—do not include anything really new. Instead, they combine in a new way the existing designs of roller skates with wheels on four corners and of ice skates with a single blade.

Another example is the mountain bike. When mountain bikes were introduced, they seemed to represent a radical departure from existing bicycle designs. In reality, however, they are a clever blend of a racing bike's multiple gears and light weight with an old-fashioned balloon-tire bicycle's comfort and go-anywhere durability.

Many such inventions come from people outside of a business or technology. Like children, who are especially creative because they have not been taught to see barriers that are not really there, outsiders bring fresh perspectives and ideas to solving problems. The people who invented in-line skates and mountain bikes did not know that they couldn't align a skate's wheels in a single row or that they couldn't put derailleur gears on a bicycle with wide tires. In doing so, they shifted the paradigms of what makes a good roller skate or bicycle, and created profitable new markets.

Consider that not long ago everyone knew powered flight was impossible and people would never walk on the moon. Yet because innovative minds refused to acknowledge the generally accepted barriers, both of those dreams are now realities.

Assignment Sheet 1

These are all examples of the creative process at work. The creative process is not a magical thing. It can be understood, and once you understand the process, you can even copy it to create new innovations. Your goal in this exercise is to analyze the creative process behind one recent innovation.

Exercise

Reading assignment

Read the information presented in the following components.

Information sheet

- Objective 1, Major aspects of entrepreneurial thinking and their definitions
- Objective 2, Aspects of creative thinking and their definitions

Student supplements

- Student Supplement 1, Tools for Understanding the Creative Process
- Student Supplement 2, An Example of How to Analyze the Creative Process
- Student Supplement 3, Creating Opportunities for Creativity

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. Your instructor will divide your class into groups of two, and you and your partner will **collect newspaper and magazine articles** about new innovations in products, services, and businesses. (Your instructor will specify how many articles you will need to collect.) Then, you will work with your instructor to **select** one innovation to analyze.

______ 2. You and your group partner will **write an essay that analyzes** the nature of your selected innovation. In your essay, you must answer the items in the **Analysis Check** on the next page.

______ 3. Turn your essay and your newspaper/magazine article in to your instructor for **evaluation**.

Assignment Sheet 1

Activity checklist
(cont.)

______ 4. Your instructor will return your essay with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your essay to your instructor for **final evaluation**.

Analysis Check

1. What are the name and nature of the innovation?

2. In what specific ways does the innovation differ from previous products, services, or businesses?

3. Does the innovation represent an improvement on an existing paradigm or a paradigm shift? Explain.

4. What additional long-range entrepreneurial opportunities might result from the innovation?

Entrepreneurial Thinking

Assignment Sheet 2—Use the Tools of Logical Thinking to Analyze a Situation

Name ______________________________ Overall rating ____________

Evaluation criteria	**Rating**
Directions have been followed.	_____
Content of information provided in student papers is relevant, well thought out, and reflects knowledge of the information presented in Student Supplement 4.	_____

Introduction

In Assignment Sheet 1, you learned that completing the creative process was not a magical thing—it can be understood and once understood, copied. Effectively utilizing the creative process just takes practice.

Learning to think logically, too, just takes practice. In fact, you are probably already using many of the tools of logical thinking to solve problems you face every day. Your goal in this assignment, then, is to recognize the tools of logical thinking you already practice.

Exercise

Reading assignment

Read the information presented in the following components.

Information sheet

- Objective 1, Major aspects of entrepreneurial thinking and their definitions
- Objective 3, Aspects of logical thinking and their definitions

Student supplement

- Student Supplement 4, Tools of Logical Thinking

Assignment Sheet 2

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. Think of something in your home that you are not happy with—it could be the way a room is arranged, the amount of time it takes you to get dressed and ready for school or work in the morning, or even some aspect of your relationship with another family member. **Write a paper that describes** this problem. Label this paper "Problem Statement."

______ 2. Brainstorm to determine the cause of the problem, possible solutions, and a plan of action to solve the problem. As you brainstorm, **write** these thoughts **as a list** on another sheet of paper. Label this paper "Problem-Solving Steps."

Then, go back and determine which of the tools of logical thinking described in Student Supplement 4 you used in each problem-solving step. **Label each item in the list**. And, remember, more than one type of thinking might apply to each step.

______ 3. Turn your "Problem Statement" and "Problem-Solving Steps" papers in to your instructor for **evaluation**.

______ 4. Your instructor will return your papers with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your papers to your instructor for **final evaluation**.

Entrepreneurial Thinking

Assignment Sheet 3—Apply the Problem-Solving Process to Improve the Quality of a Product or Service

Name ______________________________ Overall rating ____________

Evaluation criteria	**Rating**
Directions have been followed.	______
Content of information provided in student papers is relevant, well thought out, and reflects knowledge of the information presented in Student Supplements 5 and 6.	______

Introduction

In the reading assignment associated with this assignment sheet, you will be introduced to the basic beliefs of the total quality (TQ) management system: (1) TQ businesses judge the quality of their products/services based on customer satisfaction and (2) every employee of a TQ business is involved in determining the customer's needs and how best to meet them.

Your goal in this assignment sheet will be to practice the problem-solving process that is the keystone of the TQ system.

Exercise

Reading assignment

Read the information presented in the following components.

Information sheet

- Objective 1, Major aspects of entrepreneurial thinking and their definitions
- Objective 4, Aspects of quality thinking and their definitions

Student supplements

- Student Supplement 5, Tools of Quality Thinking
- Student Supplement 6, The Problem-Solving Process

Assignment Sheet 3

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. Your instructor will divide your class into groups of at least two, and you and your partner(s) will **identify a product/service** at your school or business **that needs to be improved**.

______ 2. **Research** the steps in the present process used to produce this product/service. Then **write a paper that describes** the product/service you are to improve and **outlines** the present steps in the process used in providing the product/service. Label this paper "Present System."

______ 3. Turn your "Present System" paper in to your instructor for **evaluation**.

______ 4. Your instructor will return your "Present System" paper to you with suggestions for improvement. **Make the improvements** your instructor suggests.

______ 5. Apply the problem-solving process presented in Student Supplement 6 to determine how to improve the steps in the process used to deliver the product/service.

Write a paper that **outlines the steps** in the improved process. Label this paper "Revised System."

______ 6. Turn your "Revised System" paper in to your instructor for **evaluation**.

______ 7. Your instructor will return your "Revised System" paper with suggestions for improvement. **Make the improvements** your instructor suggests.

______ 8. Return your "Present System" and "Revised System" papers to your instructor for **final evaluation**.

Entrepreneurial Thinking

Assignment Sheet 4—Analyze the Trustworthiness of a Person You Admire

Name ______________________________ Overall rating ____________

Evaluation criteria	**Rating**
Directions have been followed.	______
Content of information provided in essay is relevant, well thought out, and reflects knowledge of the information presented in Student Supplement 7.	______

Introduction

Although some people think entrepreneurs are greedy and unethical, long-term successful entrepreneurship depends on trustworthiness—integrity and competence. Your goal in completing this assignment sheet is to explore how trustworthiness has affected the life of one individual.

Exercise

Reading assignment

Read the information presented in the following components.

Information sheet

- Objective 1, Major aspects of entrepreneurial thinking and their definitions
- Objective 5, Aspects of trustworthiness and their definitions

Student supplement

- Student Supplement 7, The Importance of Trustworthiness to an Entrepreneurial Business

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. Think of a teacher, classmate, employer, business owner, colleague, or public figure whom you consider especially trustworthy. Then, being as specific as possible, **write an essay about that person** in which you provide the information requested in the **Analysis Check** on the next page.

Assignment Sheet 4

Activity checklist (cont.)

______ 2. Turn your essay in to your instructor for **evaluation**.

______ 3. Your instructor will return your essay with suggestions for improvement. **Make the improvements** your instructor suggests.

______ 4. Return your essay to your instructor for **final evaluation**.

Analysis Check

1. State the person's name and occupation.
2. Give at least three examples that illustrate the person's integrity.
3. Give at least three examples that illustrate the person's competence.
4. Describe how trustworthiness has enhanced this individual as a person. Give examples.
5. Describe how trustworthiness has enhanced this individual's interpersonal relationships. Give examples.
6. Describe how trustworthiness has enhanced this individual's leadership abilities. Give examples.
7. Describe how trustworthiness has enhanced this individual's business success. Give examples.

Entrepreneurial Thinking

Assignment Sheet 5—Analyze the Business Sense of an Entrepreneur in Your Community

Name ________________________________ Overall rating ____________

Evaluation criteria	**Rating**
Directions have been followed.	_____
Content of information provided in essay and class presentation is relevant and well thought out.	_____

Introduction

People use the term *business sense* every day, without really thinking about what it means or how it complements creativity. Thus, the term is so vague that its definition will vary from one businessperson to the next.

If creativity is the ability to see beyond the accepted bonds of reality, then business sense is the ability to recognize the bonds of reality and to market a product/service within those limitations. An idea might be highly creative—a kitchen faucet that sprays water up instead of down, for instance—but if no one wants the product, it would not make good business sense to market it. Or there might be a demand for a product/service, but if the entrepreneur cannot make a reasonable profit providing it at a price people are willing to pay, good business sense dictates abandoning the project. (Determining a creative idea's profitability, of course, requires a person to possess mathematical skills and to enjoy using them.)

Once the entrepreneur is convinced of the product's potential, tenacity will be needed to see the project through. Venture capitalists must be convinced of the product's ultimate profitability; people must be convinced to purchase the product in numbers high enough to justify producing it; and manufacturing the product will no doubt pose countless unforeseen problems. As mistakes lead to failures along the way, the entrepreneur will be realistic enough to recognize them and have the patience to learn from them and apply the knowledge to solving future problems.

The successful entrepreneur's business sense does not stifle creativity but gives it the discipline and direction needed to succeed in the free-market system.

Assignment Sheet 5

Many businesspeople might define business sense in ways that are quite different from the definition above, and their definitions are equally valid. All will agree, however, that business sense is essential to an entrepreneur's success, and each businessperson's definition of business sense should give you additional insight into entrepreneurial thinking skills. The following exercise will enable you to discuss business sense with a successful entrepreneur and to consider its relationship to creativity in the business world.

Exercise

Reading assignment

Read the information presented in the following component.

Information sheet

- Objective 1, Major aspects of entrepreneurial thinking and their definitions
- Objective 6, Characteristics of a person with business sense and their definitions

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. Your instructor will invite a group of entrepreneurs from your local community to your class. Your class will be divided into groups, and each group will be assigned one entrepreneur to **interview**, **using the Interview Outline on the next page**. Each student in the group should take notes during the interview process.

______ 2. Using the notes you have taken during the interview process, your group will work together to **write an essay that describes** the business sense of the entrepreneur your group interviewed.

______ 3. Turn your essay in to your instructor for **evaluation**.

______ 4. Your instructor will return your essay with suggestions for improvement. **Make the improvements** your instructor suggests, and return your essay to your instructor for **final evaluation**.

______ 5. Your group will then make a **class presentation** on the information included in your group essay.

Assignment Sheet 5

Interview Outline

1. What is your definition of the term *business sense*?
2. Discuss three things you have learned through experience that you could not have learned in school.
3. Describe how you believe your business sense has improved your entrepreneurial business.
4. Give examples that illustrate how your business sense has been an important counterbalance to your entrepreneurial creativity.

Entrepreneurial Thinking

Assignment Sheet 6—Profile the Entrepreneurial Thinking Skills of a Successful Entrepreneur

Name ______________________________ Overall rating ____________

Evaluation criteria	**Rating**
Directions have been followed.	______
Content of information provided in student paper is relevant, well thought out, and reflects knowledge of the information presented in the information sheet and student supplements.	______

Introduction

Successful entrepreneuring requires a balanced application of all five of the thinking skills outlined in this unit—creative thinking, logical thinking, quality thinking, trustworthiness, and business sense. Beginning entrepreneurs probably have not developed all five areas, but to attain long-term success, they will have to strengthen their skills that are weak and continually improve their skills that are already strong. You can develop entrepreneurial thinking skills only through experience, but by completing the following assignment, you will learn to recognize the different thinking skills and to analyze how they interact in entrepreneurial situations.

Exercise

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. Your instructor will divide your class into groups and provide each group with a list of successful and innovative local entrepreneurial businesses that are from three to ten years old.

Your group will work with your instructor to **identify a business appropriate for you to contact**.

______ 2. Schedule an **interview** with the entrepreneur. During the interview, ask the entrepreneur to discuss how the interplay of his or her entrepreneurial thinking skills has contributed to the success of his or her business.

Assignment Sheet 6

Activity checklist (cont.)

______ 3. After the interview, use the information obtained to **write a paper that profiles** the entrepreneur and his or her business.

Your instructor will provide you with guidelines explaining the format of the finished report. This assignment will be collected and retained in a portfolio that will become a record of the progress you have made in your study of entrepreneurship.

______ 4. Turn your paper in to your instructor for **evaluation**.

______ 5. Your instructor will return your profile with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your profile to your instructor for **final evaluation**.

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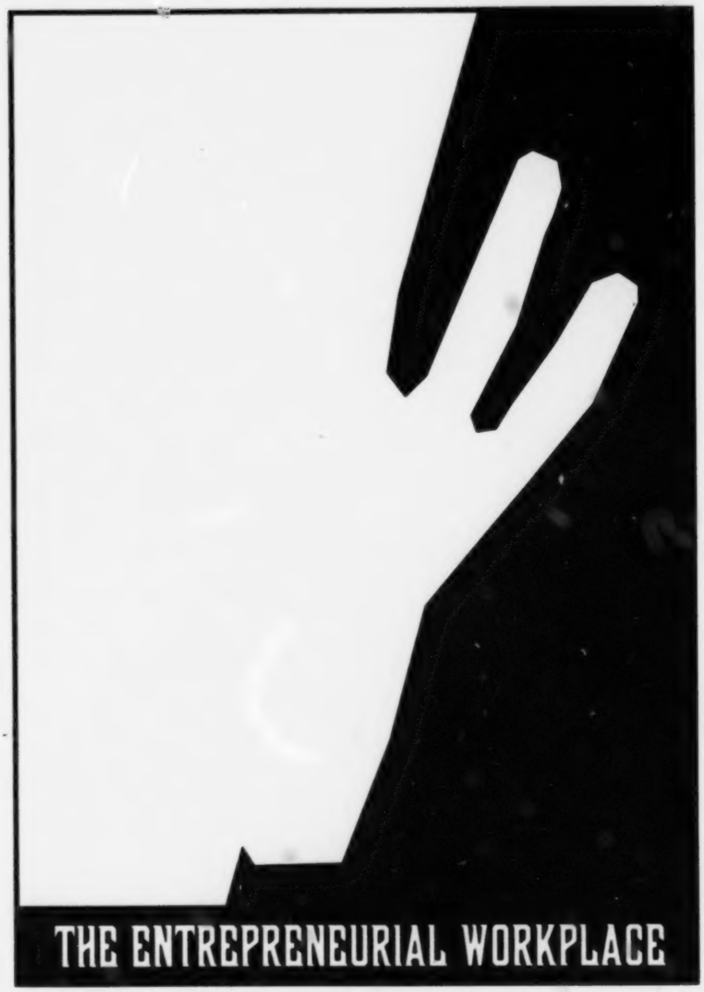

THE ENTREPRENEURIAL WORKPLACE

The Entrepreneurial Workplace

Student Edition

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The Entrepreneurial Workplace

Objective Sheet

Unit objective

After completing this unit, the student should be able to analyze the roles of the entrepreneur and the intrapreneur in creating and maintaining the workplace environment of an entrepreneurial business. The student should demonstrate these competencies by completing the assignment sheets and by scoring a minimum of 85 percent on the written test.

Specific objectives

After completing this unit, the student should be able to

1. Define the term *workplace environment.*
2. List factors affecting the current workplace environment in the United States.
3. Define the term *economics.*
4. Define the term *free-enterprise system.*
5. Define the term *entrepreneur.*
6. Discuss the role of the entrepreneur in a free-enterprise system.
7. Define the term *intrapreneur.*
8. Discuss the role of the intrapreneur in the current workplace environment.
9. Determine the factors affecting the current workplace environment in the United States. (Assignment Sheet 1)
10. Practice intrapreneurial skills. (Assignment Sheet 2)
11. Profile employee perceptions of their workplace environment. (Assignment Sheet 3)
12. Analyze the workplace environment of an entrepreneurial business. (Assignment Sheet 4)

The Entrepreneurial Workplace

Information Sheet

1. **Definition of the term *workplace environment*** — All the social and cultural conditions that influence the workplace

2. **Factors affecting the current workplace environment in the United States**

   - **Changing economic conditions**

   - **Changing management concepts**

     Note: Currently in the United States, management is in a period of transition. Because economic conditions have changed, all the assumptions on which management practices were based during the Industrial Age are now becoming obsolete. New management concepts are developing to meet the needs of the new economy. And, employer/employee roles are changing as they are caught in the transition.

   - **Changing workforce**

     Note: Traditionally in the United States, the workforce was dominated by young, able-bodied, white males. However, today, because of the shrinking numbers of people available to the workforce, employees must also come from many other cultural groups (women, people of color, people aged 55 and over, people with disabilities, etc.). Employers and employees must become sensitive to the attitudes and needs of this new multicultural workforce.

3. **Definition of the term *economics*** — Study of how people use their limited resources to satisfy their needs and wants

   Note: *Resources* are "the land, labor, and capital available to an economic system." *Needs* are defined as "the absolute necessities of life, such as food, clothing, and shelter." *Wants* are "desires beyond the basic necessities of life."

4. **Definition of the term *free-enterprise system*** (market-oriented system, capitalistic system) — Economic system in which allocation of resources and production and consumption questions are answered by consumers in a marketplace that includes competition, profit, private property, and freedom of exchange

   Note: An *economic system* is "any unit (individual, household, business, community, state, nation, or group of nations) concerned with choices about what is produced, how it will be produced, and for whom it will be produced."

5. **Definition of the term *entrepreneur*** — Person who attempts to earn money and make profits by taking the risk of owning and operating a business

Information Sheet

6. **Role of the entrepreneur in a free-enterprise system** — Entrepreneurs play a vital part in the free-enterprise system. Without entrepreneurs, land, labor, and capital would only be resources. Once they are organized by an entrepreneur and used in a business venture, however, these resources can produce goods/services, thereby creating new wealth. Entrepreneurs, then, are the human element required in the economic activity of free enterprise.

7. **Definition of the term *intrapreneur*** — Employee who possesses and applies entrepreneurial skills in the workplace; an employee who thinks like a business owner

8. **Role of the intrapreneur in the current workplace environment** — Intrapreneurs play a vital part in creating and managing their own workplace environment. As intrapreneurs reap the rewards of creating their workplace environment, they must also assume the responsibility for it.

The Entrepreneurial Workplace

Student Supplement 1—Basic Economics

A matter of choice

A simple definition of *economics* might be "the study of how people use their limited resources to satisfy their needs and wants."

How long can you go without water? Most of us find that going more than a few hours without drinking something convinces us liquid is a real need. But, how long can you survive without going to the cinema? Physically, you do not have to see a movie to survive, so going to the cinema is a want.

Individuals, families, businesses, cities, states, and nations all have to determine what their needs and wants are, and make choices to satisfy those needs and wants based on what they can afford.

We live in a world of limited resources—the things we use to make or get the things we need and want. *Resources* usually are defined as "land, labor, and capital."

Land involves the soil on which food crops are grown, plants, animals, forests, water, minerals, a favorable climate, and energy sources such as petroleum, hydro-electric or geothermal power, coal, or nuclear capacity. Land is the natural wealth found in a country.

Labor includes the human workforce needed to produce goods/services and includes both mental and physical effort.

Capital represents the machines, buildings, tools, communication networks, and power-distribution systems the workforce uses to produce goods/services. Capital is made up of things made by people. Money is a specific type of capital called *financial capital.*

Limited resources are a fact of life throughout the world. For instance, if we mine iron and use it to make steel for automobiles in the United States, that same steel cannot be made into refrigerators. Or, if the oil imported from the Middle East is made into gasoline, it cannot be made into plastics. Choices such as this are known as *substitution,* and these choices are made by consumers' willingness to pay for certain products over others—based on their needs and wants.

In your case, substitution might involve deciding to rent a videotaped movie for $2.50, pop your own microwave popcorn, and drink a 50-cent can of soda at home rather than deciding to spend $7 to attend the theater, $2 for a small Coke, and $3 for popcorn.

Student Supplement 1

Economic activity can be divided into three broad categories:

1. Taking things from the earth (agriculture, mining, fishing, etc.)
2. Making things from raw materials (manufacturing)
3. Providing services (doctors, lawyers, writers, singers, cooks, teachers, bankers, etc.)

Now, let us bring these economic principles right to our classroom.

Have you ever considered who determines the price of a candy bar? Why does a soft drink at McDonald's cost what it does? Why do designer jeans cost more than straight-leg, button-up-the-front Levis? Why does a haircut at a style shop cost more than a haircut at an old-fashioned barbershop?

The answer lies with consumers—all of us who pay the prices asked for these goods/services. If people had refused to pay more than 10 cents or 25 cents for a Snickers bar many years ago, the price would not have climbed to today's levels. If you and everyone else did not pay $.59, $.69, or $.79 for a Coke at McDonald's, you can bet Ronald would not be selling them. If Guess? and Chic jeans did not sell at $50 to $60 per pair, they would not cost more than conventional jeans at J.C. Penney. And, if someone were not willing to pay more for a style cut, haircuts would cost roughly the same as they do in barbershops.

Every time you spend money, you are making economic choices and "voting" for the production of whatever goods/services you purchase. Your exchange of money for that product tells the producer you feel the product is important and are willing to pay the going price. Also, unless you are extremely rich, when you make the choice to buy goods/services, you are also deciding not to buy something else—you have only so much money (limited resources) and your choices have determined what you will buy.

So, next time you go to the candy machine and see that a package of M&Ms or a Snickers bar has gone up a dime since you last purchased one, determine if you are willing to pay the extra ten cents. If not, and if everyone else feels the same, you can bet it will not take long for the manufacturer to find a way—either through more efficient production or lower profits—to drop the price back to a point where people will again buy the products.

Student Supplement 1

If the manufacturer cannot find a way to produce M&Ms or Snickers bars more efficiently—thus cutting the cost of production, allowing a lower retail price—and if the manufacturer cannot or will not cut profits on those products, there is only one choice left—to go out of business.

Whether the choices involve your determining if you will buy a soft drink or a candy bar, or your family's determining purchases it must make, a manufacturer's shopping for raw materials, or your local, state, or federal government's determining what expenditures to make, the same principle applies: a limited amount of resources (money in this case) must be allocated among an unlimited set of alternative uses. Choices must be made.

Free-enterprise system

Economists tell us the "type" of economic system is determined by who is responsible for answering five basic economic questions.

1. What is to be produced?
2. How is it to be produced?
3. For whom is it to be produced?
4. When is it to be produced?
5. By whom will it be produced?

In looking at the United States' economy and its economic environment, the student determines whether he or she wants chewing gum or Coke. A farmer decides whether to plant wheat or bermudagrass. Parents decide if they will purchase a new car or put money into their children's education fund. Companies determine how much they can pay for raw materials based on how much they can charge for the finished goods. City officials decide whether to hire more police officers or repair the streets. State governments determine whether to build more prisons or spend more on education. The national government determines whether to buy more advanced fighter planes or fund highway construction and low-income housing for the poor. In all cases, economic systems are making choices on how to use limited resources for a seemingly unending set of alternatives—all of which may be valid needs. The choices must be made, however, because all desires cannot be fulfilled with limited resources.

Student Supplement 1

In this **free-enterprise economy** (sometimes known as a *market-oriented* or *capitalistic economy*), consumers and producers answer the five basic economic questions: how, by whom, or for whom; and when and where goods/services are produced. They do this using four concepts that are necessary for a free-enterprise system to function and that are permitted under our system of government: competition, profit, private property, and freedom of exchange.

Competition is a key to this process. Producers compete with one another to make their goods better and less expensive than their competitors'. Why? For profit.

Profit is why people work—to gain money with which to purchase goods/services. Profit also allows improvements in efficiency, research, and development of new products and creates jobs for additional workers. Profit also signals producers as to what needs to be produced and what is not in demand. If something is not in demand, there will be no profit. If there is no profit, decisions must be made to reallocate labor and capital into a profitable venture, so an unprofitable product is usually dropped in favor of one that will produce a profit.

Private property also is a key to making the free market work. If private property were not allowed and the government owned everything, people would have no reason to work for profit to purchase things.

And, related to private property and profit is **freedom of exchange**, which allows producers to set whatever price they determine on a product, and makes consumers free to decide if they will pay that price. If prices are too high, consumers do not buy; they substitute for the product in question, or they buy similar goods at a lower price from a competitor. In this way, competition helps set the market price of any given product.

Role of the entrepreneur

A vital part of the free-enterprise system is the individual or company that risks land, labor, and capital to produce a good/service for the opportunity to make a profit. These people and firms are known as ***entrepreneurs*** (from the French "to undertake"). Without entrepreneurs, land, labor, and capital would only be resources. Once they are organized and used in a business venture, however, they can produce goods/services, thereby creating new capital. Entrepreneurs, then, are the human element required in the economic activity of free enterprise.

Student Supplement 1

A frequently asked question of businesspeople traveling in foreign countries is: How can we develop an entrepreneurial economy like that in the United States? The answer is to create a business environment in which attitudes foster entrepreneurial activity. Some attitudes that encourage entrepreneurial activity in the United States are

1. Americans are not afraid to take risks. Risk-taking is an important part of the workplace environment. The person who risks all to achieve a goal is admired and even envied by others who wish they had the courage to take control of their own destinies.

2. Failure is not considered a disgrace. In fact, an old saying brags that anyone who gets rich has probably gone bankrupt at least once. This attitude is not as readily accepted, for example, in Japan and China where failure is equated with loss of honor.

3. Worker mobility is accepted. Moving from a high-paying job to a lower-paying or from a large company to a smaller company is not considered bad. In fact, the average worker in America will change jobs six to eight times during his or her career.

4. Private financial markets provide financing of new companies. If private money did not exist, the government would control all the money and decide who started businesses.

5. New technology is abundant. The resourceful entrepreneur has ample opportunity to develop new uses and products from this technology.

Entrepreneurial companies are the most innovative part of our economy and one of the major components in the United States' ability to stay competitive in the world market.

The key roles entrepreneurs play in the economic system are

1. **Innovators**. Innovation occurs more often in entrepreneurial business than it does in big business. The entrepreneur taps information or technology that other markets have not perceived in order to create new services/products.

2. **Source of growth**. Entrepreneurs are the major source of economic growth in the United States. This introduction of new technology or new products or new process expands the economy by creating new demand and increasing employment.

3. **Generator of jobs**. Newly formed companies are the principal generator of jobs in the United States' economy.

4. **Destroyer of market equilibrium**. Another major effect entrepreneurs have on the economy is the destruction of the existing market equilibrium. For example, there is a point where demand for a type of detergent at a given price equals the supply. If large numbers of consumers make the choice to buy an entrepreneur's new concept for cleaning clothes rather than detergent, the demand for the detergent drops. When demand drops for a product, a company can lower the price to stimulate demand but only until no profits are generated; then, the company must either introduce a new product that can compete with the entrepreneur's product or go out business.

At the turn of and into the early years of the twentieth century, new technology spawned new entrepreneurial businesses at a rate unheard of in the history of man. This new technology wielded by entrepreneurs created large mass-production and mass-distribution companies that out performed and lead to the demise of businesses that made products like the buggy whip. This phenomenon continues today. The entrepreneur of the future will find a new use for current technology and will introduce new products/services that result in certain death for another company.

The Entrepreneurial Workplace

Student Supplement 2—"A Company of Businesspeople"

The following article first appeared in *Inc.* magazine, April 1993. Written by John Case. Reprinted with permission, *Inc.* magazine. Copyright 1993 by Goldhirsh Group Inc., 38 Commercial Wharf, Boston, Massachusetts 02110.

INC. COVER STORY

Supervisor/worker. Manager/employee. The company/the union. Us/them. That's the way the workplace has been organized in the United States since the turn of the century, and until recently we have taken the system pretty much for granted. Owners and managers expect to run the corporate show; employees expect to do what they're told. Us/them.

But the marketplace has changed dramatically in the last 20 years, and now the old thinking no longer works. You can see its failure in the sorry state of so many American companies—and in managers' frenzy to try out Employee Empowerment and Total Quality and all the other hot-off-the-presses managerial techniques.

Meanwhile, a growing number of pathbreaking managers, in large companies and small, are ignoring both the old ideas and the latest fads. Instead, they're creating a wholly different mind-set about business and a different way of organizing work—one in which there's no room for *us* and *them*.

Whatever their differences—and there are many—each of those innovators is creating not a company of employees and managers but . . .

A COMPANY OF BUSINESSPEOPLE

BY JOHN CASE

TUMULTUOUS TIMES SPAWN innovation, particularly in the Darwinian world of business. And the economic turmoil of the last 20 years has given birth to a fundamentally new kind of company, as different from what preceded it as a swallow from a pterodactyl.

These next-generation companies are sprinkled across any number of industries. Wabash National makes truck trailers. LifeUSA writes insurance, and Springfield Remanufacturing Corp. rebuilds engines. Some of the companies are big, such as Wal-Mart and Nucor and Southwest Airlines. Others are tiny, such as 18-employee Jamestown Advanced Products, a metal-parts maker. A few have turned up in unlikely places. The Baltimore plant of Chesapeake Packaging Co., with 145 employees, is an exemplar of this new kind of business, poised for success in the 21st century. Its parent, Chesapeake Corp., with 5,100 employees, is a conventionally managed *Fortune* 500 manufacturer, poised for success in the 20th.

INC./APRIL 1993

What do the new enterprises have in common? It isn't youth, though some are pretty new. Nor is it their unusual success. (Wabash National, only eight years old, has hurtled to the top of a sluggish industry. LifeUSA has been snapping up market share while competitors bathe in red ink.) It isn't even some trendy management catechism. These companies don't all practice the tenets of Excellence or Total Quality Management or any other school of 1980s thought.

What they do share is a way of doing business—a way of thinking about business—that is dramatically different from everybody else's. The chief characteristic: a new conception of how people in a company work together.

That new conception has plenty of familiar elements. Profit-sharing and equity schemes. Techniques for disseminating information (open-book management, we've called it in the past). Even a few of the latest consultants' fashions, such as employee teams. But the distinguishing feature isn't the parts, it's the whole. In the mind-set created by the next-generation companies, the roles and obligations and expectations prescribed by conventional corporate pyramids go out the window. CEOs are freed up, since the responsibility for the business is no longer all at the top. Everyone else undergoes a kind of liberation, too. Managers don't have to figure out how to motivate lethargic employees. Workers don't sit around waiting for instructions (and cursing their idiot supervisors in the meantime). That elusive goal, a company in which everyone thinks like an owner, becomes part of everyday life.

The new conception has bubbled up out of the turbulence of the past two decades. It has been created not by consultants or academics but by businesspeople, mostly through trial and error. It doesn't look the same from one company to another. No one has packaged it into a blueprint or a manual. But it works. Indeed, it may be the only sure route to success in a marketplace as treacherous as today's.

To understand it—to see how dramatically the new approach differs from the way most companies are run—it helps to revisit the beginnings of the modern business era and to see why the organizational principles created back then suddenly quit working.

[redacted]

AS ANY BUSINESS-SCHOOL student can tell you, the 20th-century corporation was born in the four decades between 1890 and 1930. Large multiunit mass-production and mass-distribution companies were scarce until then. Now they were flourishing in nearly every industry. Their reach extended from the production of raw materials to the sale of finished goods.

Explorers on the uncharted frontiers of management, the new giants' executives had to invent methods of running their big, far-flung operations. They established divisions and departments, each with its own managerial hierarchy—the familiar linked boxes of the corporate organizational chart. They created a new class of middle managers to administer and coordinate the business. Those innovations shaped the form of the corporation right down to the present.

But the new corporations' most far-reaching invention lay not in the office or boardroom but on the shop floor. It was the creation of wage labor. More than the hierarchy, more than middle managers, wage labor and all the psychological baggage that went with it defined the parameters of 20th-century business.

To be sure, people had worked for wages for centuries—on farms, in craft shops, in the first manufactories of the Industrial Revolution. But the simple act of hiring someone for a wage doesn't define the terms of the deal. Before, employers had typically expected a lot. Hired hands on farms were supposed to know farming and to work independently. Apprentices in workshops were supposed to learn a trade and eventually take on the role of master. In early factories skilled craftsmen and "inside contractors" engaged by the owner were often expected to provide their own tools, organize their own work, and hire their own helpers. The new corporations, by contrast, developed and institutionalized the modern idea of wage labor. Work would be organized by management and directed by a supervisor. Equipment would be

INC./APRIL 1993

Student Supplement 2

provided by the company. An employee's job was to do what he or she was told—no more and no less.

The marketplace of the day pushed employers relentlessly in that direction. Consider what they faced:

- The new companies were trying to supply huge national markets, opened up only recently by the railroad and the telegraph. So their payrolls were gargantuan by the standards of the time. Back in 1870 the McCormick reaper plant's 500 employees made it one of the nation's largest. By 1900 some 70 factories counted more than 2,000 employees apiece, with a dozen or so in the 6,000-to-10,000 range. The demand for manufacturing labor skyrocketed all over the country. Between 1880 and 1920 the U.S. population doubled. The number of factory workers more than tripled.
- To fill those swelling ranks, companies coaxed young men and women off the farm and snapped up hordes of recent immigrants, themselves often of rural origin. The new workers had little schooling. The immigrants didn't speak much English. Few knew what to expect from the giant, noisy, regimented factory. What they found there ranged from merely difficult to brutal. Workdays were long—no surprise there. But work was sporadic in those boom-and-bust days, and layoffs were frequent. Wages were usually determined by some form of piece rate, so the pace was intense. When new technology or procedures led to an increase in output, the piece rate was cut. Working conditions could be fierce: Cotton mills were heated with live steam to maintain high humidity all year long. A typical meat-packing plant, according to a contemporary account, had "slime and grease . . . so thick that a foothold was hardly possible." From 15 to 25 employees died in accidents during an average year at Andrew Carnegie's Homestead steelworks.
- Strangers in a dangerous land, the workers grumbled and protested and walked off the job. Between 1880 and 1900, notes one writer, "nearly 23,000 strikes affected more than 117,000 establishments—an average of 3 new strikes a day for 20 years." Union organizing and walkouts provoked firings, blacklisting, and violence, creating an us-against-them mentality on both sides. Turnover rates and absenteeism were astronomical by today's standards. The Amoskeag Co.'s textile mills, in Manchester, N.H., had to hire 24,000 in one year to maintain a labor force of 13,700. Ford Motor Co.'s Highland Park, Mich., plant, incredibly, had to hire 54,000 over 12 months to maintain 13,000 employees. At Highland Park, says the historian David Montgomery, between 1,300 and 1,400 workers a day were discovered "missing from their stations." That ratio—about 10% out every day—was more or less standard in the years preceding World War I.

So plants were adding or replacing people all the time. The managerial conclusion was inescapable: most of a company's employees had to be essentially interchangeable. Someone leaves? See who's standing at the gate looking for work. Training or skill development? Forget it—the new employee had to get up to speed in a matter of hours, even minutes. Skilled workers were a liability, not an asset. If they left, they were hard to replace.

That need for interchangeable employees defined two basic assumptions about work and workers—assumptions that have shaped business thinking for most of this century.

Early in the century turnover rates and absenteeism were astronomical by today's standards. Ford Motor Co.'s Highland Park plant had to hire 54,000 over 12 months to maintain 13,000 employees.

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Most of a company's employees had to be essentially interchangeable. Someone leaves? See who's standing at the gate looking for work. Training or skill development? Forget it—the new employee had to get up to speed in a matter of hours, even minutes.

INC./APRIL 1993

Student Supplement 2

First, *a job must be defined as narrowly as possible.* Production workers in particular should perform minutely segmented tasks. The simpler the task, the easier it is to replace people. New production technology, developed around the turn of the century, facilitated specialization: more and more goods were produced by special-purpose machinery and assembly lines rather than by hand labor and craftsmen. The word *operative,* meaning machine tender, came into use. Operatives weren't expected to worry about the whole product, let alone about matters such as customer relations, finance, and work flow.

Second, *workers need close, direct supervision.* The historian Daniel Nelson refers to 19th-century factories and "the foreman's empire," and the description fits. Foremen hired workers, assigned them jobs, showed them what to do. They set individual pay rates. They handed out discipline (fines, dismissal, occasional physical abuse.) The typical foreman's style of management was referred to as "driving," defined by Nelson as "a combination of authoritarian rule and physical compulsion." Driving had a certain compelling logic. Given the conditions, what besides a foreman's wrath or beneficence would induce workers to work? Or to do anything beyond a bare minimum? This was not the age of the loyal employee—or of the loyal employer.

The invention of "scientific management," by Frederick Winslow Taylor and his followers around the turn of the century, gave both assumptions the imprimatur of the industrial engineer. Scientific management—the TQM of its day—sought to eliminate bottlenecks and inefficiencies in production. Analyze every step of the production process, preached Taylor. Scrutinize every worker's every motion; break jobs down into their smallest components. Then set up a central department to standardize production methods, job descriptions, and pay rates. ("All possible brainwork," he wrote, "should be removed from the shop and centered in the planning or laying-out department.") Though Taylor was in effect curbing foremen's authority, he had no thought of abolishing close supervision; indeed, he felt more foremen than ever were needed to make sure workers did what the planners prescribed. Businesspeople evidently agreed. Between 1910 and 1920 the ranks of supervisory employees grew nearly two and a half times as fast as the ranks of wage earners.

> **Frederick Winslow Taylor's scientific management sought to eliminate bottlenecks and inefficiencies in production around the turn of the century. Molders at the Watertown, Mass., arsenal walked off the job in 1911 at the very appearance of a Taylor disciple with his stopwatch.**

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> **Not until after World War II did unions set the patterns of collective bargaining that characterized labor relations for the next few decades.**

None of that sat well with workers, who continued to feel (sometimes rightly) that management was trying to screw them. Unions howled about specialization. They protested arbitrary authority and excoriated scientific management. (Molders at the Watertown, Mass., arsenal walked off the job in 1911 at the very appearance of a Taylor disciple with his stopwatch.) But employee protests had little impact on the development of wage labor. Not until after the Wagner Act, in 1935—and after a series of often-bloody strikes—did unions establish themselves in major industries. And not until after World War II did they set the patterns of collective bargaining that characterized labor relations for the next few decades.

By then, both specialization and hierarchical supervision were ensconced in business practice. Unions accepted them and concentrated on protecting their members against abuse. The newly negotiated contracts spelled out the requirements of each job, for example, to the letter. U.S. Steel's 1946 contract with the United Steel Workers of America specified matters such as how much river sand—moisture content approximately 5.5%—a sand shoveler was expected to shovel (12.5 15-pound shovelfuls 'per minute). Union work rules and grievance procedures, similarly, set limits on foremen's and supervisors' authority but took for granted that all employees would be told what to do.

Beyond such rules, unions explicitly disavowed any interest in how a company was run. Paragraph eight of a typical contract between the United Auto Workers and General Motors read, "The products to be manufactured, the location of plants, the schedules of production, the methods, processes, and means of manufacturing are solely and exclusively the responsibility of the corporation."

II

WHAT WAS CREATED BY THIS history, of course, was a mind-set. You could call it the mentality of wage labor, except that it affected employees and managers alike. And it persists today.

The mind-set's most visible manifestation is the feeling of us against them, management against labor, bosses against workers. From 1960 to 1980 more than a million employees a year were involved in large-scale strikes. Some strikes forced companies to shut their doors. Some companies shut their doors voluntarily rather than accede to labor's demands. Though union membership has declined in recent years, disputes are still bitter. (Last year's Caterpillar strike involved 12,000 workers and ran 163 days, ending only when the company threatened to bring in strikebreakers.) And union or nonunion, most workplaces live with a certain amount of daily in-your-face hostility.

But mistrust and malevolence between labor and management are only a part of the wage-labor mind-set, and not always the most important part. Even in the kindest and gentlest—or the smallest and most family-like—workplaces, the assumptions of specialization and supervision create characteristic ways of thinking and acting.

To an employee, the most important facets of any workplace are "my job" and "my boss." Doing the job well and satisfying the boss constitute success at work: they govern one's job security and chances for raises and advancement. Doing anything else may interfere with those goals. So even the best employees may balk at a task not in their job description or cringe when a manager other than their own supervisor gives them extra work. ("What's *my* boss going to think?") Less-than-diligent employees have ready-made excuses for not doing all sorts of things. *It's not my job* is a favorite. *I didn't know I was supposed to do that* is another.

Since employees are human beings, they may find themselves caught between what they feel they ought to do and what their job calls for. An insurance-company clerk confessed to Barbara Garson, author of a book about work, that she OK'd a store owner's policy calling for $5,000 protection against fire and $165,000 against vandalism—exactly the reverse of what she figured the right numbers were. "I was just about to show it to Gloria [the supervisor]," the clerk admitted, "when I figured, Wait a minute! I'm not supposed to read these forms. I'm just supposed to check one column against another. And they do check. So it couldn't be counted as my error." Garson says she must have looked disapproving, because the clerk suddenly got mad. "Goddamn it! They don't explain this stuff to me. I'm not supposed to understand it. I'm supposed to check one column against another."

Rifts and resentment are built into the system. By common consent, for example, it's management's job to organize the work and provide the tools. Management, also being human, periodically screws up. Employees get conflicting instructions. Equipment doesn't get fixed. Parts aren't where they need to be, the phones aren't being answered promptly, the department is understaffed and overworked. The employees' verdict? *They* have messed up. They don't know what they're doing. *They* is every workplace's most common name for management. It's heard in hospitals and software companies

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as frequently as in grimy metalworking shops.

Managers experience the system's flip side, which is often equally thankless. They are supposed to get the work done, mainly by giving instructions and seeing they are carried out. But supervision as a method of management has built-in limits, particularly since driving has gone out of style. Managers may be poor instructors, or employees poor learners. No one can specify what to do in every eventuality, yet employees may decide to do exactly as they are told and nothing more. ("You never said I had to do that too.") And no manager can be everywhere at once.

Ever since Taylor, those difficulties have spawned an industry of advice peddling. A good manager, so it is said, won't just supervise but will *motivate* workers to superior performance. How to do that motivating? Read the books; call in the consultants. Some urge exhortation and inspiration, which they often call leadership skills. Others rely on performance reviews, still others on incentive-compensation systems (Taylor's favorite, and still fashionable today). Managers in most companies practice a mixture of techniques, with varying degrees of success. Many conclude that employees are inept, poorly educated, lazy, rigid, and dumb—in a word, unmotivated.

***They* is every workplace's most common name for management. It's heard in hospitals and software companies as frequently as in grimy metalworking shops.**

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For most of the 20th century, the inefficiencies and foul-ups of the traditional system didn't matter much. Work was done; goods were produced and services provided, often in astonishing quantity.

FOR MOST OF THE 20TH century, the inefficiencies and foul-ups of the traditional system didn't matter much. Work was done; goods were produced and services provided, often in astonishing quantity. Competitors, virtually all of them domestic, faced similar costs and conditions. Conventional management practices were part of the landscape; companies took them for granted. Many still do. But for a lot of U.S. businesses, competition has stiffened dramatically. Suddenly, corporate survival was in doubt and management practices were up for grabs.

The convulsions that rocked the marketplace in the last 20 years are only too familiar. Foreign competition swelled, not just from Japan and Germany but from Taiwan, France, Singapore, Mexico, Italy, China—and from foreign-owned companies locating here. Along with that globalization came wave after wave of new information technology, spawning a thousand new products and services and transforming both factory and office. Both trends put acute pressures on managers. Manufacturers had to match Japanese quality or Taiwanese prices. Service companies had to offer unprecedented levels of convenience and friendliness. Everyone had to manage an unprecedented pace of innovation. Introduce new products and services fast enough to match the competition, but not so fast as to alienate customers. Install new production and information systems to boost efficiency and speed, though not so often that employees never catch up. Bet wrong—wait too long or plunge in too soon—and you're out of the race.

A century ago the old marketplace had pushed companies in the direction of specialized, supervised wage labor. In the process it had created the manager-and-employee mentality. The new marketplace was saying, in effect, that system and that mentality wouldn't work anymore. Companies were coming up short on two critical counts.

Quality and service was one. Production could be maintained, up to a point, by supervisors. And minimum levels of quality could be assured by a squadron of inspectors. But what about zero-defect (or "six sigma") quality? And what about the intangible quality of customer service, where a smile and a little extra effort may create a customer for life? No army of inspectors or supervisors can make recalcitrant employees do exceptional jobs. The best systems, companies discovered, work only if the employees want them to.

In the new marketplace the ability to innovate was a company's critical resource. The trouble was, a company of wage laborers marching dutifully ahead wasn't well adapted to learning. And managers had enough difficulty just getting the work done.

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Most managers found themselves groping—for new methods, new techniques, new principles, anything that would help them run a company better in this puzzling and exacting new environment. General-management books suddenly were as hot as Judith Krantz.

Innovation was another. To innovate successfully is to learn how to do things better, cheaper, and faster; how to use new equipment and materials and procedures; how to improve the product and the service. In the new marketplace the ability to innovate was a company's critical resource, more important than big factories or a well-known brand name or access to capital. The trouble was a company of wage laborers marching dutifully ahead wasn't well adapted to learning. Employees weren't going to come up with new ideas. Managers had enough to worry about just to get the work done. So it was that Sears, Roebuck & Co. took years longer than its competitors did to learn that a mail-order merchant really ought to accept Visa and Mastercard—and really ought to have an 800 number.

FOR SOME BUSINESSPEOPLE it was all too much. Their companies foundered or were bought out. They themselves were sent packing. Others decided the answer was simply to slash the payrolls. Most managers and executives, however, found themselves groping—for new methods, new techniques, new principles, anything that would help them run a company better in this puzzling and exacting new environment.

The gropers created huge markets. General-management books, which for years had inhabited a backwater of the publishing business, suddenly were as hot as Judith Krantz. (*In Search of Excellence*, which had an initial press run of 15,000 ended up selling more than 4 million copies over a 10-year period.) Classes and seminars and training institutes attracted droves of customers. Philip Crosby's Quality College, in Winter Park, Fla., has trained more than 140,000 managers since 1979. Consultants did a thriving business, too, teaching executives concepts like intrapreneurship and reengineering and cluster management.

Ideas provoked action, and businesspeople began experimenting. Manufacturers introduced just-in-time inventory systems. Offices streamlined or eliminated paper flow. More than anything else, though, companies began monkeying with their methods of managing people. New cross-functional teams were designed to break down barriers between departments. New pay-for-performance systems were supposed to get everyone pulling in the same direction. Managers learned new techniques of motivation, too. Directives were out, coaching was in. Sitting in an office was out, walking around was in. The very word *employee* began disappearing, in favor of *associate*.

In recent years the hottest new approach has been Total Quality Management, and its popularity shows how badly managers have been feeling a need to restructure things. TQM has exploded. Thousands of companies have set

Student Supplement 2

up formal programs; hundreds have put messages such as "A Total Quality Company" on walls and stationery. What's more, TQM seems to challenge the top-down style of modern management. Differently conceived, it might have been just another engineering fix, like just-in-time, based on techniques such as statistical process control (SPC) and enforced by a beefed-up quality-assurance department. But the evangelists of TQM preach employee involvement, and some managers, at least, are obliging. Machine tenders, trained in SPC, check their own defect rates. Quality teams, drawing people from every level of the company, rout out sources of error. Employees bandy about concepts such as *internal customer* and *price of nonconformance*.

So chinks have been appearing in the armor of wage labor. Employees (or associates) are being asked to think a little about what goes on beyond their workstations. They are being taught a little—just a little—about managing their own jobs. And yet, often enough, both employees and managers seem unsure of what to make of it all. Is the company really serious, or is this just another fad? Sometimes executives or even whole departments are sent off to some retreat or other, but nothing seems to change.

Maybe most damning, the new experiments and practices often lack a business rationale. Is TQM, for instance, really worth the trouble and expense? It wasn't to the Wallace Co., a Houston oil-supply company that won the Malcolm Baldrige National Quality Award in 1990 and entered Chapter 11 shortly thereafter. The accounting firm Ernst & Young, in a 1992 survey of quality practices in four nations, noted that the business community was growing "disenchanted" with the axioms of quality: "After implementing management practices that were reputed to lead to improved quality and improved overall performance, companies have experienced mixed results."

Maybe most damning, the new practices often lack a business rationale. Is Total Quality Management, for instance, really worth the trouble and expense? It wasn't to the Wallace Co., a Houston oil-supply company that won the Malcolm Baldrige award in 1990 and entered Chapter 11 shortly thereafter.

Newsweek late last year pronounced Total Quality all but passé. Citing companies that had abandoned TQM programs in the face of hard times, the magazine concluded sourly, "American firms may not truly embrace Total Quality Management until it makes their shareholders more money than it did the seminar organizers, consultants and book publishers, who reaped the biggest quality rewards of the 1980s."

It's silly to object to experimentation. TQM and most of the other programs of the last 10 years have undoubtedly done more good than harm. The best ones have woken up sleepy companies and have helped them compete in a hazardous marketplace. Even so, how those companies will adapt to the markets of the future is less than clear because in many ways the companies haven't changed at all.

Think back to the manager's essential job in a traditional company—telling people what to do—and to that same manager's essential problem, motivating workers. Neither TQM nor most other reforms of the last 10 years have changed that equation more than a trifle. Managers (or consultants) are still telling employees what to do. Employees are still trying to do their jobs as management defines them. *We're supposed to look for defects? OK, OK, we'll look for defects. Just get off my back.*

Granted, nearly every quality program generates interest and brings about improvements. But so did the famous Hawthorne experiments by Elton Mayo and his Harvard colleagues back in the 1920s. Remember those? The experimenters turned up the lighting, and production went up. They turned down the lighting, and production went up again. It isn't difficult to shake up a workplace. What has been difficult, over the years, is to make the changes stick.

III

AND NOW: BACK TO THAT

INC./APRIL 1993

next generation of companies. Because amid all the groping and all the turbulence, by inspiration or by chance, some managers and CEOs in the last decade began experimenting in a different direction entirely. Rather than fiddling just with management techniques—compensation programs, quality systems, whatever—they began rethinking the whole employee mentality. Rather than just telling employees to do new things, they began exploring a set of ideas that has transformed their companies and seems likely to transform other companies in the future. Those ideas had a variety of names, but they all amounted to the same thing: abolish wage labor. Change the way people who think of themselves as employees and people who think of themselves as managers work together in a business.

The experiments have been diverse.

- LifeUSA, a six-year-old insurance company in Minneapolis, has no just-plain-employees, only owners. The 275 people on the company's payroll get about 10% of their compensation in the form of stock options. The personnel office is called Owner Services. Founder Robert W. MacDonald, former president of ITT Life, knew from the outset he didn't want to re-create his former employer. "People should not be treated the way I saw corporations treating them. It wasn't right, and it wasn't efficient." LifeUSA has gone from a standing start in 1987 to 1992 revenues of $146 million, with profits of close to $10 million. MacDonald: "We'll write more new business than probably 98% of the companies out there. And we'll do it with fewer people. Because they're owners, they're involved, they run the company."
- Springfield Remanufacturing Corp. (SRC), an engine rebuilder in Missouri, started life as a money-losing unit of what was then International Harvester. Independent since 1983, wholly owned by people who work there, SRC runs by a system known as the Great Game of Business. The fundamentals: Employees are trained to understand every detail of the company's financials. Every quarter they get bonuses pegged to goals such as return on assets. In the meantime they play the game: watching weekly income statements and cashflow reports, comparing projected figures with actual. "What they learn is how to make money, how to make a profit," says CEO and Great Game inventor Jack Stack. "The more people understand, the more they want to see the result." SRC's fiscal year 1993 financials: $74 million in revenues, up 13% from 1992, with profits of $1.5 million.
- When Jon Wehrenberg started Jamestown Advanced Products, a tiny parts manufacturer in New York State, he had a customer and a contract in hand. But he could meet price and performance requirements only if labor costs were less than 11% of sales. So he challenged his employees to get costs below that level, promising a big and continuing bonus if they succeeded. Wehrenberg told of his company's three-year journey to profitability in this magazine ("How My Company Learned to Run Itself," January 1991). Jamestown's employees marveled at how the system changed their outlook. "Other places I've worked, you're getting paid by the hour and you don't really care," said one. "You don't take pride in the work like you do here. Here, it's almost like you're working for yourself. The boss? Jon's never out there. He's really not needed."
- Inside the Baltimore cardboard-box plant of Chesapeake Packaging Co., a subsidiary of Chesapeake Corp., based in Richmond, Va., are eight separate "companies" created by plant manager Bob Argabright. The companies correspond to the departments of any similar plant. Unlike departments, those companies choose their own leaders, do their own hiring, and determine their own work processes. They take responsibility for budgets, production, and quality levels. They deal with their own customers, internal and external. The Baltimore plant was losing money when Argabright took it over, in 1988. It turned a small profit in 1989, doubled that profit in 1990 and again in 1991, and saw profits rise 60% last year, all while sales remained flat. "We now rank second in the whole company in terms of profit generation," says controller Yong Kim.

On the face of it, the companies embarking on such experiments don't seem to have much in common. They're in a range of industries and operate on vastly different scales. They don't employ the same managerial methods. What they do have in common is a mindset, a way of thinking, a set of principles that turns the employee mentality upside down.

Written in a mission statement, the approach might read like this:

This is a company of owners, of partners, of businesspeople. We are in business together. Our economic futures—which is to say, our jobs and our financial security—depend not on management's generosity ("them") or on the strength of a union ("us") but on our collective success in the marketplace. We will share in the rewards just as—by definition—we share in the risks.

On the face of it, the next generation of companies don't have much in common. They're in a range of industries and operate on vastly different scales. They don't employ the same managerial methods.

No one in this company is just an employee. People have different jobs, make different salaries, have different levels of authority. But all workers will see the same basic information and will have a voice in matters affecting them. And it will be everyone's responsibility to understand how the business operates, to keep track of its results, and to make decisions that contribute to its success in the marketplace.

Stated so baldly, of course, such pronouncements can seem airy or hypocritical, like the platitudes gracing so many annual reports and corporate-image ads these days ("People Are Our Most Important Asset"). But there's considerable evidence that eliminating the employee mentality and creating companies of businesspeople, of owners, has become a kind of Hidden Secret of Success in the American marketplace.

Think about it. In nearly every industry, even the most troubled, some companies stand out. Wal-Mart makes itself into America's top retailer while Sears collapses. Nucor and Chaparral and other minimills gobble up market share from tottering U.S. steelmakers and foreign competitors alike. Southwest Air grows and makes money while other airlines go bankrupt. Every one of those companies has gone to extensive lengths to encourage employees. It also developed the employees to think like owners. Wal-Mart "associates," all of them shareholders, get weekly and monthly data on their store's performance and on detailed matters such as profit margins for each item, delivery times, and so forth. Chaparral, like Nucor, ties compensation to individual performance and company profits, and encourages employees to redesign jobs; it has become the world's low-cost steel producer. Southwest Air circulates financial information—key numbers such as revenue passenger miles and fuel usage, as well as the regular profit-and-loss statement—to all employees. It also developed the first profit-sharing program in its industry and requires all employees to invest at least a quarter of their profit-sharing funds in Southwest stock. The company has won the airline industry "triple crown"—best on-time performance, fewest complaints, fewest lost bags for a given month—eight times. No other airline has won it even once.

Look, too, at the individual plants that stand out from a giant corporation's pack, like Chesapeake's Baltimore plant, and you're likely to find a similar approach. Eaton Corp.'s Lincoln, Ill., and Kearney, Nebr., auto-parts factories—among "our more progressive," says a company spokesperson dryly—train employees to track sales and costs *every day*, reporting them on a TV monitor (at Kearney) or via computer printouts (at Lincoln). Incentive-pay systems encourage employees to consider the performance of the whole plant, not just their own output. (An earlier individual piece-rate system "did nothing but build inventory and bad parts," production superintendent Wayne Boatman told the *Wall Street Journal*.) Worker-led teams have saved the company hundreds of thousands of dollars. One group of maintenance people built two automated machines instead of buying them. A group of press operators discovered that preheating certain costly dies extended their life by 25%.

INC./APRIL 1993

THE OLD WAGE-LABOR CONception of management—employees doing their jobs, managers supervising them—determines much of a conventional company's structure and method of operation. Hierarchy, for instance, is critical. Without it no one would know who to listen to. Responsibility is lodged in managers, not employees. So proposed changes in methods or products or anything else must percolate upward from the source, then downward to the ranks. A steel-worker in a small mill once owned by U.S. Steel remembers how the big company's suggestion system had operated: suggestions went from employees to supervisors to the general manager to engineering, then back down. The process, he adds, took months—and the suggester rarely heard the outcome.

Creating a company of businesspeople is also a whole package. Above all, it's a way of thinking and not a set of techniques. But it won't work without changes in four critical aspects of a business's structure and operations. As the practitioners have found, doing one without doing all doesn't make much of a difference.

First, people at all levels have to be able to make decisions, and the company must be structured to encourage it. That doesn't mean democracy, let alone anarchy; decisions obviously have to be coordinated, and some will require an OK from top management. But everyone should be able to do what, say, middle managers have always done, namely, to make (or take part in) decisions within certain boundaries and constraints. If you can't make decisions, you can't act like a businessperson.

Individuals can make a lot more decisions all alone than they've been allowed to in the past. At Stone Construction Equipment, an employee-owned company in Honeoye, N.Y., Dick DeNise makes guards for the tops of cement mixers. He used to do it in the usual way, which is to say, according to instructions handed down by his boss. Today he is no longer a worker in that sense; he is the owner of a single-person work cell. As such, he designs his own equipment, sets his own work pace, keeps track of his own output, and thinks about improvements. (He recently developed a better system for cooling his spot welder.)

Individuals make a lot more decisions than in the past. Most commonly, employees in these new companies, such as Springfield Remanufacturing, work in groups or teams that take responsibility for managing their own production.

More commonly, employees in this new kind of company work in groups or teams. XEL Communications Inc., a telecommunications-equipment manufacturer near Denver, looks something like Chesapeake: the shop is organized into teams that take responsibility for managing their own production. "Each team has an operations board," explains vice-president John Puckett. "These guys are treated basically like an independent company." Adds Ernie Gauna, an hourly worker who now serves as leader of one of the teams: "Basically, management leaves it up to us. We get the daily schedules of what is sold and what needs to be built, and it's up to us to build it."

With authority comes responsibility—not to a supervisor issuing instructions but to the realities of the marketplace. Dick DeNise has a customer, the mixer-building cell. It's not hard for him or anyone else to understand that unhappy customers put people out of business. Ernie Gauna's team discusses its numbers with management every quarter, like senior executives meeting with a company's board of directors. "We explain to them why we did good in this area and bad in that area, and what we plan to do so the problem won't recur next quarter," says Gauna.

Second, people need the information necessary to make intelligent decisions. That is a truism, and any company that sets up quality teams or any other modification of the traditional system makes sure its employees have some data to work with. But businesspeople—executives and owners—don't look just at weekly production figures or defect rates; they look at the big picture: cash flow, budget projections, cost of capital, on and

INC./APRIL 1993

on. Their key tools, the income statement and the balance sheet, prepared by the month (at least), have traditionally been the province of the accounting department and top executives. The new companies make them available to all.

That may be the single biggest difference between the new approach and the old; that's why the system has been dubbed open-book management. Jack Stack circulates income and cashflow statements every week. Jerry Ehrlich, CEO of Wabash National, the Lafayette, Ind., truck-trailer manufacturer, projects Wabash's monthly numbers on the side of a trailer for everyone to see. (Ehrlich was named *Inc.*'s 1992 Entrepreneur of the Year; see "Least Likely to Succeed," December.) Chesapeake Packaging's employees also see full financials every month. ("I've never seen a parade yet that was very impressive where only the drum major had the sheet music," drawls Bob Argabright.) In addition, each subcompany can request up-to-the-minute data on its own costs and performance.

Key tools, the income statement and the balance sheet, have traditionally been the province of the accounting department and top executives. The new companies make them available to all. That may be the single biggest difference between the new approach and the old; that's why the system has been dubbed open-book management.

Third, employees need training. Few Americans outside of accounting classes are taught to understand the financial information that governs a business. At Wabash, however, employees can take six hours of classroom instruction in finance, six hours in quality techniques, and six hours in manufacturing processes. The classes are voluntary and aren't taken on company time—but 90% of Wabash's 2,000 employees have signed up. McDougal, Littell & Co., an Evanston, Ill., educational-materials publisher that has emulated SRC in inventing what it calls the Great Game of Publishing, sent 200 employees (many of them former teachers) to a daylong class in the basics of accounting. Then it created a seminar explaining a year's worth of the company's financials.

Often the training is less formal. At Wisconsin Label, a specialty printer in tiny Algoma, CEO Terry Fulwiler walks all his employees through an elaborate color-coded income statement at monthly meetings. Unsure that everyone was understanding it, he decided last fall to dramatize the process a little. So he printed up $2 million worth of play money and went around the shop handing out big cards marked *Labor, Depreciation, Interest,* and so on to several employees. At the meeting that afternoon, he put the money in a pile, then asked each "category" in turn to come up and take its share of the revenues. "The meeting ran for an hour and a half," recalls Fulwiler. "People didn't realize how many dollars were spent each month on certain items."

Finally, people need a stake in the outcome of their decisions—and in the company itself. A stake cuts through cynicism ("Why should I bust my butt just so someone else can make more money?") and adds to the intrinsic satisfaction of helping to create a successful company. The most common stake: some form of bonus or profit sharing. Chesapeake's plan, unique to the Baltimore plant, last year added about $1 an hour, or 10% to the typical employee's wages. At Nucor more than half of line employees' weekly pay is a bonus tied to production levels. Successful businesspeople, of course, get financial security not just from immediate compensation but from their equity in the company, which helps keep their gaze squarely focused on the long term. Figuring employees should have both the same opportunity and the same long-term view, most of the new generation of companies share ownership as well as profits.

Profit sharing and ownership bring risk as well as reward; that's part of the deal. The employees at Jamestown Advanced, for example, were making bonuses of $1,500 to

$2,000 per quarter once they got up to speed on the company's first product. Recently, they had an opportunity to start a second product line for the same customer. The catch: until people got up to speed on that one too, bonuses were likely to drop. Nevertheless, they agreed to do it, figuring that more products meant more job security.

Like other businesspeople, they're now struggling with the tension of growth. "We've got the whole range of emotions going through our plant right now," John Wehrenberg says. "We're still having trouble turning the corner. But we share the information back and forth, and we analyze what we're doing wrong. We went through a period when bonuses were virtually destroyed. But now we're gaining."

The chief payoff lies in seemingly small changes in understanding and behavior. Employees, such as these at Wisconsin Label, learn to watch costs, to respond to customers, to boost sales. What's important varies with the industry.

WHAT ARE THE BENEFITS OF creating a company of businesspeople? Jack Stack, one of the few CEOs who have begun speaking and writing about their experiences, like to tell a story. A Holiday Inn manager, he says, was complaining because his occupancy rate was only 67%. That was below break-even, and the establishment was losing money.

"I asked him," says Stack, "'Who else knows that's the critical number?' He said he was the only one. And I said, 'Right, and what's the maid's job? To clean so many rooms and turn the beds down right and put the mints on the pillow?' And he said, 'That's about it.'" "I said, 'What if we put everybody, maids included, on an incentive program to increase the occupancy rate? And what if we communicated the number every single day?'" He said if he ran over 72%, it'd be great. So I proposed that anything over that, the employees would get a bonus.

"At the end of 18 months they were up to 85%. But the funny thing was they now had people running out, carrying bags, greeting customers, being personable." What, asks Stack rhetorically, had kept the manager from believing that everyone on his staff could understand and respond to the critical number? "I can't understand it," he laments.

By most accounts, the chief payoff of destroying the employee mentality lies in such seemingly small changes in understanding and behavior. Employees learn to watch costs, to respond to customers, to boost sales. What's important varies with the industry. In printing, says Wisconsin Label's Fulwiler, everyday operational decisions are critical: Figuring out how to cut setup time by a few minutes. Finding ways for customers to save money. ("If you make your label 3 inches rather than 3¼, we can run it two-up on our 6-inch press.") Making sure that same-day or next-day ("red tag") jobs go out on schedule. "Those things are what have endeared us to customers," says Fulwiler, whose company has grown 10-fold in the last five years. "But you can't do those types of things by legislating them out of the office. Your people have to want to do it."

There are other payoffs as well.

- Employees develop a different attitude toward the requirements of the marketplace. Customers value top-notch quality? Great; let's learn TQM. Customers need lower costs, faster service, a modified product line? Let's get busy. "You unleash the power of 145 people working toward a common goal," says Argabright, nominal boss of 145. In a conventional company, employees are likely to see the market's demand as one more burden foisted on them by management.
- Decisions are made and implemented faster, thanks to multiple centers of authority and responsibility. One day last January, Chesapeake's 11-person shipping "company," Quality Trucking, headed by an hourly employee, was about to open up bids on long-haul trucking, a $1-million annual cost. It was trying to figure out the problems and opportunities presented by truckers' new, longer trailers. It was working with Chesapeake's top customer to make its truck-packing procedures more

Student Supplement 2

efficient. Each of the plant's seven other companies had a similar roster of plans to implement, problems to solve, opportunities to explore. Could a conventionally managed company have done all that at once? Sure—provided it had a full complement of well-paid managers, and provided the managers could not only make the necessary decisions but also motivate employees to implement them.

- Motivation in the new companies comes from within, not from without. "Owners, real owners, don't have to be told what to do—they can figure it out for themselves," writes Stack in his book *The Great Game of Business*. "They have all the knowledge, understanding, and information they need to make a decision, and they have the motivation and the will to act fast." To be sure, not every individual will suddenly begin thinking like a businessperson, and even those who do will have days when they don't want to be bothered with any of that big-picture stuff. Even so, attitudes change. "This system will push a person who isn't performing well out the door," says Chesapeake's Kim.
- Companies have a broader range of options for coping with a down market. Traditional companies faced with declining sales can eat their losses, or they can lay people off—and layoffs, as every manager knows, instantly destroy any trust or goodwill a company has been able to build up. Companies of businesspeople are free to come up with more-creative solutions. One company asked for voluntary furloughs, making sure employees had unemployment insurance and full benefits coverage while they were out. Another started a whole new business with idled employees. A third broadened its product line dramatically and sought out new customers—even though it meant asking employees to learn a wide range of new skills.

More than anything else, the new approach cuts through the incredible gridlock that plagues conventional businesses. Every company has employees who resist instructions, drag their feet, complain they don't have the right equipment or the right training, and find a hundred other reasons for not doing what should be done. Businesspeople, owners, can't fall back on those excuses. They may make stupid or wrong decisions—CEOs do, all the time—but they can't assume it's not their job to worry about something that needs worrying about. Then too, every company has managers who resort to exhortation, yelling, cajoling, threats, bribes, subterfuge, and every other trick in the book to get employees to do things. Businesspeople, of course, decide to do things because in their judgment the company will benefit.

Stack calls the system "no excuses management." Unlike TQM or any other managerial fad, the transformation of employees and managers into businesspeople has a built-in rationale. Everybody in the company can see if it is working—by the numbers.

IT TOOK AMERICAN COMPANIES many decades to establish a stable, workable system of wage labor. Personnel practices had to be invented, a generation of managers trained. (The first business schools were born in the early years of the century.) Though businesspeople of the day wouldn't have admitted it, the New Deal and the establishment of collective bargaining were essential to the system's success. Until World War II, companies were plagued with labor unrest and terrible morale. Large-scale unionization after the war changed much of that. Hourly workers might still be wage laborers and might still be prone to strikes or hostility. But most could now count on job security, on rising wages, and on benefits such as pensions, vacations, and unemployment insurance. Union rules stabilized the workplace, curbing arbitrary authority and providing for the expression of grievances. The result was less turnover and higher productivity—good for companies as well as for workers.

Today, in a newly turbulent marketplace, businesses are in the early stages of creating a fundamentally different system. The companies making the change will run into inevitable difficulties. So will American society as it begins to adapt to the new system.

Inside companies, new ways of thinking and doing things create chaos and strain, both emotional and organizational. Foremen and supervisors find their customary jobs and status abolished. People who are happy doing wage labor—"Just tell me what to do

INC./APRIL 1993

and let me pick up my check at the end of the week"—may be pushed into responsibilities they hate. Some won't be able to adapt. Managers run into problems they never had before. At XEL, one of John Puckett's self-managing teams couldn't persuade any member to act as scheduler and asked Puckett to intervene. Puckett, though committed to teams, nearly made a decision for them. "I almost got sucked into solving their problem," he remembers, wincing. "Then I realized, Wait a minute, this isn't my problem. So I went back and said, 'Look, this is part of the team responsibility. You don't have the option of not doing it.'"

The new approach redefines a CEO's job, as LifeUSA founder Robert W. MacDonald has discovered. Instead of acting as commanding officer, issuing instructions, the CEO acts as chief coach and coordinator.

The new approach redefines a CEO's job entirely. Instead of acting as commanding officer, issuing instructions, the CEO takes on twin roles. One is like that of a venture capitalist: dealing with investors, watching the numbers, allocating resources. The other is that of chief coach and coordinator, teaching people how to run their own show and making sure they're working from the same playbook. Chesapeake's Argabright, for example, spends a lot of time coordinating the activities of the eight companies. "Right now they're taking eight different approaches toward quality and waste. I'm gonna say to them, 'We don't want to do that. Shouldn't we focus on quality and waste and safety and the budget the same way?'"

In general, the process of change will be messy. Compensation systems or training programs developed in one context won't work in another. Companies will have to learn by dozens of trials and errors what's best for them. The difference between that and all the human-relations experimentation of the last decade? This time, everyone will be in on the experimenting—and everyone will be able to see the goal. Companies should be able to avoid most of the past decade's cynicism and disillusionment.

The turmoil within companies is likely to be reflected in industries, in markets, even in the whole economy. The last decade has shown the critical importance of management to corporate success. Companies that have gotten that message, from Wal-Mart and Nucor to the emerging enterprises regularly profiled in this magazine, are growing and prospering. Those that haven't—General Motors and IBM and Sears, to name three of the most visible, along with all the sleepy little companies that are doing business the way it was done 30 years ago—are hemorrhaging.

In the past, businesses tended to rise and fall with the economy, so Americans with jobs felt pretty much in the same boat at any given time. Now it makes a big difference whom they work for and how their employers organize themselves. People in the prospering companies, if they have the right skills, will find immense opportunities for rewarding work and for making money. Those in stagnant or failing companies will face dead-end jobs and continuing insecurity. People who lack the training or temperament to learn new skills and ways of working will, increasingly, be unable to find jobs at all. As in the 1930s, government and business will have to find ways of stabilizing the situation. We will need to spread the new system's benefits without jeopardizing its productive capacity.

However that works out, the handwriting is surely on the wall. Peter Drucker, in *Post-Capitalist Society*, published this month, writes of the "knowledge-based organization" that will be the critical building block of our economic future. That organization is, in essence, a company of businesspeople. Each person on the payroll, he says, "has to be asked, 'What should we hold *you* accountable for?' 'What information do *you* need?' and, in turn, 'What information do *you* owe the rest of us?' This means that each worker has to be a participant in decisions as to what equipment is needed; how the work should be scheduled; indeed, what the basic policy of the entire [company] should be."

Twentieth-century companies'

task was to organize work so it could be carried out by wage labor, by pairs of hands that could be replaced at a moment's notice. The changing marketplace has made that approach obsolete. A 21st-century company's task will be to organize work so it can be carried out by businesspeople—by men and women who take responsibility and who share in the risks and rewards of enterprise.

Research assistance for this article was provided by Alessandra Bianchi.

The Entrepreneurial Workplace

Student Supplement 3—"Future Force"

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Who Will You Hire?

FUTURE FORCE

BY ERIKA KOTITE

Rich man, poor man, beggar man, thief' . . . we all know the children's rhyme that ponders the age-old question, 'What will you be when you grow up?' But for small-business employers, this is a serious question indeed, especially as we look to the future of the American workforce. Who will be there to work for us when our companies 'grow up' in the next decade?

On one hand, the labor force continues to grow. Some 19 million people will be added to the payroll between 1988 and 2000, according to the U.S. Department of Labor's Bureau of Labor Statistics. That will bring the total number of workers to about 141 million, compared to 122 million in 1988 and just 96 million in 1976.

But it isn't just a matter of big numbers. Although larger than ever before, the pool of workers in 2000 represents a growth rate of just 16 percent, down from 27 percent between 1976 and 1988. And, more importantly, significant changes will occur in the number of workers by categories such as age, sex, race, education level, and even physical ability.

Today's workforce is already very different from yesterday's. In the '50s and '60s, two-earner households were the exception; now, they're the rule. The prevailing attitude of working in one place until retirement hardly holds true now, when people move from city to city, and experiment with different companies and industries in their early working years.

The workforce of the future, driven by demographic shifts, higher technology, and a rising immigration rate, will have a new face and a new set of needs that must be satisfied to keep it happy and productive.

BIG FOOTPRINT

The ubiquitous baby boomers, born between 1946 and 1964, have a host of analogies applied to them. "They're like a collective footprint," says Craig L. Davidson, research associate for the International Foundation of Employee Benefit Plans in Brookfield, Wisconsin. "They continue to move through the labor force and leave imprints along the way. And as they get older, they'll affect the workforce even more." Whatever the descriptive phrase applied to this group, the baby boomers remain the most important part of future employees.

By the year 2000, 72 percent of workers will be between the ages of 25 and 54, showing a 20.5 percent increase from 1988. This age group includes the heart of the boomers (ages 36 to 55) who will be in their peak working years. Many of them will have families of young or college-age kids; yet they'll likely have elderly parents to care for, too. "The 'sandwich generation'—workers caught between the needs of their children and tending to their parents—will have difficulty keeping their minds on the job," says Davidson. "For the entrepreneur, this means loss of productivity."

Employers must pay attention to the changing lives and priorities of the workforce. Besides issues of care-giving, an

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older workforce is also concerned with retirement and health benefits. The sheer numbers of workers who will face retirement at one time creates a renewed focus on pension plans.

BREAKING IT DOWN

According to *American Demographics* Magazine and the Bureau of Labor Statistics, the average worker in the year 2000 will be a 39-year-old white male. However, while the number of white male workers has pretty much stabilized, other groups are catching up.

Nearly 63 percent of women aged 16 and older will participate in the workforce in 2000, up from 57 percent in 1988. The female worker will make up nearly half (47 percent) of the entire labor pool, compared to 40 percent in 1976. Women with children will return to the workplace faster, and more of them will trickle up to management positions. "Women managers seem to network and communicate better," observes Bill Hunter, president of Management Productivity Group in Cherry Hill, New Jersey. "There will be more movement up the ranks for them in the future, as employers become more aware of their abilities."

> **"People want more than a paycheck. They want to play a part in the business. That's where small business has an edge in the future."**

According to a survey conducted by the International Foundation of Employee Benefit Plans, 77 percent of the 272 employers who agreed that there would be a workforce shortage in the year 2000 predicted women will be their most important labor source. "Right now, women with a lot of potential aren't getting very far in the corporate world because time has not been on women's side," says Elaine Hart, executive director of the Women's Opportunity Center at the University of California in Irvine. "Strides are being taken to put women in the position to assume leadership, and by the year 2000, we'll see some powerful women in powerful places."

Whether they are employers or employees, the rising number of women in the workforce will profoundly affect management style, and put issues such as parental leave, day care, and flexible scheduling in the forefront of small-business planning.

MINORITY FORCE

If there's any way to define tomorrow's workforce, the word would be "diverse." Minorities such as blacks, Hispanics, and Asians will account for about 33 percent of all new job entrants, and more than half of the total net change in the labor force from 1988 to 2000. "The workplace of the future will be much more integrated, a melting pot," says Davidson. "Viewing the labor pool as all traditional white male workers is an obsolete attitude." Blacks will gain 3.3 million workers, for a total of 16.5 million; Hispanics will add more than 5 million, both through current population growth and through immigration.

What does this all mean for the small-business employer? Like everything else, the growing number of minorities offers both advantages and challenges. An integrated workforce provides creativity and a broader perspective on the world. Immigrants bring new languages, which could be useful in a growing global economy. But it will also be more difficult for employers to know their workers' needs and expectations. Another problem is in keeping a consistent level of education. "The wave of the future is increased employee participation [in management decisions]," says Hunter. "But with varying levels of education, especially in business, it's going to take some effort to be successful."

NEW FACES

Opinion varies on whether there will be worker shortages in the future, and if so, how the gaps will be filled.

First, experts predict a shortage of young workers. The number of workers aged 16 to 24 will fall from 19 percent to 16 percent of the entire workforce between 1988 and 2000. As a result, employers who rely on young people to help run their restaurants, hotels, movie theaters, and retail shops may find their "Help Wanted" signs staying up much longer.

Second, job openings in the year 2000 will call for more workers with technical knowledge and advanced computer skills . . . and experts

Student Supplement 3

fear that the supply of sufficiently educated people won't meet the demand.

At Pen Station, a commercial art studio in Milwaukee, planning has already begun for a more computer-driven operation. Co-owner Greg Cverko explains how the company plans to replace many of its manual processes with computers that can do rendering, layout, and sophisticated graphics. "The day of replacing workers with computers is approaching," he says. "The next time we look for a designer, he or she has to be computer-literate, and they're already getting hard to find."

Yet a shortage of one kind of worker could leave employers more open to a pool they've never thought of before. At least, this is what David M. Cooney hopes. Cooney, president and CEO of Goodwill Industries in Bethesda, Maryland, sees the trend toward higher technology and a larger service sector as a boon for workers with disabilities.

"With a limited workforce, employers have three choices: automate, go overseas [for labor], or hire people with a disability," he says. "Companies large and small are coming to us with contract projects." Goodwill Industries employs the disabled, and also provides businesses trained workers with disabilities. Last year their revenues from government projects reached $30 million.

Another pool to draw from in the year 2000 will be the elderly. The number of workers aged 55 and above will increase more than 15 percent, or 2.3 million, between 1988 and 2000. Employers are already aware of this market's potential; the International Foundation of Employee Benefit Plans survey shows 55 percent of respondents anticipate seniors will pick up the slack at their companies. "With all the wisdom and experience seniors have," Hart says, "small-business owners would be unwise to pass them up."

Also, some employers contend older workers have more stability and company loyalty. Hunter says, "The younger ones seem to be in it for the money and to establish their careers, while the older ones simply enjoy being active."

THE DANGLING CARROT

While employers search for skilled and experienced workers, workers, in turn, will be doing their own shopping. Working mothers need a dependable, safe place for their children. They'll look for jobs with flexible hours, adequate vacation time, job-sharing possibilities, and maternity leave. "The dual-income household will continue to grow," says Hunter, "and a lot of flexibility is needed. Issues as simple as letting your employee go home during the day to let in the plumber are going to be important." He predicts business parks with on-site day care centers will be a strong pull to quality employees.

By the same token, workers will need to know how much programs like these cost, and take responsibility for shouldering part of the burden, or opting for one benefit over another.

The high cost of living isn't going to go down in the future; in fact, many workers today are literally priced out of the housing market, especially those who work in a city or affluent area. One- and two-hour commutes put special burdens on workers with families and have a negative effect on productivity. Small-business employers might consider flextime as a way to help their workers avoid worsening traffic conditions. They may also consider relocating to less expensive locations, help with car-pooling programs, and allowing more employees to work from home either part or full time.

Environmental concern will continue to be important in the year 2000. Not only will government regulations become tighter, but concerned employees will also insist on a safe, "green" workplace. Once again, giving employees some decision-making power—for example, getting them to list what they want changed or added, then figuring out the cost and ways to pay—will become a normal management style. "People want more than a paycheck," says Hunter. "They want to play a part in the business. That's where small business has an edge in the future."

The key to all these issues is awareness. Seeing new trends as they come and listening to employees' problems provides employers with insight into how their businesses should be run. It will also help retain quality employees. "If the United States continues to grow economically,

Student Supplement 3

good workers will be in demand," says Hunter. "The people who succeed are on the front lines."

LOOKING AHEAD

The stage is already set for the year 2000. Most of the workers today will still be working nine years from now. However, employers will face a larger pool of older employees and a smaller group of younger ones. More women, minorities, immigrants, and people with disabilities will swell the workforce, bringing with them new talents and new priorities for a harmonious workplace. As we continue to move from a manufacturing to a service-based economy, workers will be left with obsolete skills, and employers may find themselves educating or retraining them.

Finally, with world boundaries opening up in 1992, the worker of the year 2000 will be more likely to work for companies with international ties. A better awareness of different cultures, and of the details involved in doing business abroad, will make the worker of tomorrow an even better asset to small business.

The Entrepreneurial Workplace

Student Supplement 4—Managing a Diverse Workforce

Introduction

Peter Drucker, economist and author of several books on economics and management said, "Entrepreneurship rests on a theory of economy and society. The theory sees change as normal and indeed as healthy. And it sees the major task in society—and especially in the economy—as doing something different rather than doing better what is already being done."

Entrepreneurs are well aware of this theory. They know that being able to introduce new products and new services in today's ever-changing world is critical to marketplace success. What entrepreneurs may not know is that the ability to innovate is equally important to successful management of the business' diversified workforce.

This workforce often has new faces and new sets of needs that the entrepreneur must meet. To prosper, entrepreneurs will be challenged to value, understand, and better utilize this diverse workforce. This student supplement tries to provide entrepreneurs with a better understanding of this challenge and to suggest ways for implementing management practices that will meet this challenge.

Defining diversity

According to Webster, *diverse* means "composed of unlike or distinct elements."

All humans share the basic traits of humanness yet each of us is different. Our biological and environmental differences separate and distinguish us as individuals and groups. For example, we may all walk upright but we do come in different colors and we don't all speak the same language. These differences are what makes the workforce diverse.

There are two categories that describe the ways we differ from each other—core differences and changeable differences. We are born with four core differences. These are differences we cannot change.

The four **core differences** are

- Age
- Gender
- Physical ability
- Race

Student Supplement 4

Changeable differences are acquired, changed, and discarded as we go through life. The eight **changeable differences** are

- Educational background
- Marital status
- Military experience
- Parental status
- Religious beliefs
- Geographic location
- Wealth
- Work experience

While as children we have very little control over the eight changeable differences, we can change any of these factors as we mature. For example, a poor child can eventually obtain a college degree, become a doctor, and acquire wealth.

Combined, these two groups of differences shape our values, perceptions, priorities, and experiences throughout our lives. These differences influence the way we perceive others, the way we think, the way we feel, and the way we behave. These differences also influence the way others perceive us, what they think about us, the way they feel about us, and the way they behave toward us.

For entrepreneurs, this means that each employee in the workforce brings with him or her attitudes that influence how he or she will respond to authority, contribute to team efforts, perceive financial and nonfinancial rewards, determine what is harassment and discrimination, and establish lines of communication.

Examining the old workforce

To understand why the issue of diversity has become important to the United States' businesses, we must know why the issue developed.

In the beginning, the United States was primarily settled by Western Europeans. The first businesses were started by these settlers, mainly white men. Based on their own values and experiences, these men established norms, habits, behaviors, traditions, and expectations for doing business that supported their priorities and their goals. And so, the dominant workplace environment we know today was born.

This workplace environment said that anyone who was different was inferior in some way—not as smart, not as motivated, not as honest. The accepted method for handling diverse employees was assimilation. Employees with different habits, behaviors, traditions, and expectations were required to—and even were thought to want to—adopt the values of the dominate culture. If they refused or could not, they were expected to leave the organization.

Student Supplement 4

For decades women strived to project the competitive image so admired by white males. People of color were asked to abandon the cultural norms of their groups and to adopt those of the white male—play golf, speak in a certain manner, show no emotions. But no matter how hard employees outside the dominant culture tried, they were never quite good enough. They never quite developed what it took for full membership in the dominant culture.

This issue of increased diversity in the workforce is difficult if not impossible to understand for those who consider themselves part of the cultural mainstream. They often rationalize that the problem lies with the individual not with the workplace environment. For example, the person who objects to ethnic, racist, or ageist jokes is often labeled a troublemaker who can't appreciate a good joke.

Today, diverse workers expect more than tolerance or indifference from business organizations. They want their differences to be recognized, respected, and valued by the business.

Failure to recognize these growing expectations comes with a cost to the organization. The price includes

- The cost of recruiting and retraining because of high turnover rates.
- The cost of settling discrimination complaints.
- The cost of lost productivity due to everyday conflicts that flare up in the workplace.
- The cost of absenteeism.

Meeting the challenge

Whether by desire, regulation, or necessity, the composition of the United States' workforce has changed. The U.S. Labor Department estimates that in the 21st century white males will make up less than 40 percent of the total workforce. The new workforce will include men and women of all races, ethnic backgrounds, ages, and lifestyles.

Lumping employees into the standard categories of age, gender, race, education, and disabilities only scratches the surface of the diversity that exists in the workplace. Most workers are a composite. For example, the entrepreneurial workforce might contain

- A young, single-parent female

Student Supplement 4

- A young, single Hispanic male who uses a wheelchair
- An older, single black male
- A highly educated, single female with the responsibility for caring for her elderly parents
- An older married female with grown children
- A young, highly educated Southeast Asian male
- A middle-aged, dual career, professional, married couple with teen-age children

The challenge for the entrepreneur will be to develop a workplace environment that recognizes all this diversity and values and supports that diversity.

Creating an environment that values diversity

Entrepreneurs will use the following strategies to create a workplace environment that values and supports diversity.

An organization that values and supports diversity:

1. **Nurtures respect and eliminates stereotypes and prejudice.**

   Stereotypes are standardized mental pictures held about all members of a particular group. Stereotypes are usually based on myths and half truths. While all groups share unique characteristics that can lead to differences in values, attitudes, and behaviors, these characteristics can be twisted and used in a negative manner to degrade others.

   Prejudices are irrational attitudes of hostility directed against an individual, a group, a race, or their supposed characteristics. These attitudes often reinforce a superiority/inferiority belief system.

2. **Does not tolerate inappropriate language.**

   Whether a word is inappropriate depends on the standards being used by the sender *and* the receiver of a message. The two categories of differences discussed earlier in this supplement influence the standards the sender and the receiver of a message adopt. For communication to be effective and not offensive, both the sender and the receiver must be aware of the standards of the other. For example, the term *minority* is often used to describe people of color. To some people this term is both inaccurate and inappropriate. There are many more people of color than white people, so numerically the term *minority* is inaccurate. It is inappropriate because it implies lessor as in majority vs. minority. The term *people of color* is more acceptable and more widely used in organizations that value and support diversity.

3. **Identifies shared principles.**

   An organization that values diversity looks for common uniting principles such as shared goals, shared rewards, mutual respect and understanding, mutual commitment to fairness, and a shared vision of the future that establishes a framework for cooperative action. These principles will guide employee action and establish a contract endorsed by every employee within the organization.

4. **Creates an atomosphere where no one feels threatened.**

   Organizations that value conformance may find that employees with core differences can clash over basic values. Organizations that value diversity make all employees feel accepted and secure and therefore minimize group conflict.

5. **Models appropriate behaviors and ensures that policies reflect the commitment to diversity.**

   An organization striving to establish a workplace environment that values diversity cannot succeed without support from all employees at all levels of the organizational structure. Even the entrepreneur will have to become a role model for that workplace environment.

   To build a workplace environment that values diversity, entrepreneurs will need to

   - Understand they are the ongoing catalysts and models for building a supportive, congenial workplace environment.

   - Realize they have an ethical commitment to fairness and to the elimination of all types of workplace discrimination.

Student Supplement 4

- Recognize that their daily actions and decisions reflect their commitment to the goal of valuing employee diversity.

- Ensure that the organization's systems and procedures reflect their commitment to valuing employee diversity by

  - providing job coaching for newly hired employees to help them achieve in the organization.

  - providing basic education (if required), technical education, and retraining.

  - implementing nondiscriminatory policies for hiring, promoting, and evaluating employees.

  - providing benefits (such as dependent care or flexible shifts) that meet the needs of the diverse workforce.

  - evaluating and rewarding employees based on results. (Entrepreneurs must remember that diverse groups have different styles of communicating, interacting, and responding. The business organization must reward these styles if they get results, even if they are not the style of the dominant culture.)

- Monitor numerical trends for recruitment and promotion to ensure policies reflect that diversity is valued. The lack of numerical progress often indicates that policies are not working or that resistance to change is still occurring.

- Provide a diversity awareness program. While new systems and policies can help to assure entrepreneurs' desires concerning this goal, these efforts must be guided by knowledgeable managers in order to assure long-term success. To a greater extent, this goal must be supported by employees who are sensitive to diversity and make an effort to resolve conflict. So, awareness training at all levels is imperative. The major areas in an awareness program include

  - understanding diversity.

Student Supplement 4

- coping with the discomfort people feel when dealing with race and gender issues.
- identifying common traits we share.
- identifying shared goals and rewards.
- defining mutual respect, understanding, and commitment to fairness.
- identifying biases, stereotypes, and prejudices and recognizing the subtle ways stereotypes, biases, and prejudices creep into the workplace.
- learning to communicate.

To be effective, the decision to value diversity must be central to every decision entrepreneurs and intrapreneurs make in the workplace environment.

The Entrepreneurial Workplace

Assignment Sheet 1—Determine the Factors Affecting the Current Workplace Environment in the United States

Name ______________________________ Overall rating ____________

Evaluation criteria	**Rating**
Directions have been followed.	______
Content of information provided in answers to reading checks is relevant, well thought out, and reflects understanding of the materials presented in the information sheet and student supplements.	______

Introduction

In the reading assignment for this assignment sheet, you will learn that the workplace environment consists of "all the cultural conditions that influence the workplace," that changes in economic conditions, management concepts, and the makeup of the workforce are three of the factors that are currently changing the workplace environment in the United States. Your goal in this assignment sheet is to further explore and define just what these factors are and how they are changing the workplace environment.

Exercise

Part A **Determine the basic setting of the workplace environment in the United States**

Reading assignment

Read the information presented in the following components.

Information sheet

- Objectives 1 through 6

Student supplement

- Student Supplement 1, Basic Economics

  Note: The information presented in Student Supplement 1 will help you understand the entrepreneur's role in the free-enterprise system—the basic setting of the workplace environment in the United States.

Assignment Sheet 1

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. Your instructor will divide your class into groups of two, and you and your partner will **answer the items on Reading Check 1**.

______ 2. Turn your answer sheets in to your instructor for **evaluation**.

______ 3. Your instructor will return your answer sheets with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your answer sheets to your instructor for **final evaluation**.

Reading Check 1—Basic Economics

1. Define the term *economics*.
2. Define the term *resources* and the three components of resources: *land, labor,* and *capital*.
3. Define the term *free-enterprise system*.
4. Define the term *entrepreneur* and describe the role of the entrepreneur in a free-enterprise system.

Part B

Determine how changing economic conditions and the resulting changes in management concepts are changing the workplace environment of businesses in the United States

Reading assignment

Read the information presented in the following components.

Information sheet

- Objectives 7 and 8

Assignment Sheet 1

Reading assignment (cont.)

Student supplement

- Student Supplement 2," A Company of Businesspeople"

  Note: The information presented in Student Supplement 2 (an article from *Inc.* magazine) will help you understand the changes currently taking place in economic conditions and management concepts and how these changes are affecting the way employers and employees work together in the workplace environment.

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. You and your group partner will **answer the items on Reading Check 2**.

______ 2. Turn your answer sheets in to your instructor for **evaluation**.

______ 3. Your instructor will return your answer sheets with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your answer sheets to your instructor for **final evaluation**.

Reading Check 2—"A Company of Businesspeople"

Section 1. Pages 12 through 15 describe the economic conditions and the characteristics of the workforce that lead to the development of large multiunit companies that used the managerial-hierarchy concept of business management. By answering the items below, you should be able to analyze the factors that lead to the development of this managerial concept.

1. Draw a corporate organizational chart that illustrates the levels of a typical business managed by the managerial-hierarchy concept.

2. Describe the economic conditions in the marketplace and the characteristics of the workforce that lead employers to create the managerial-hierarchy concept.

3. Describe two basic assumptions about work and workers that developed from the need for "interchangeable employees."

Assignment Sheet 1

Reading Check 2 (cont.)

Section 2. Pages 15 through 18 describe the workplace environment created by the managerial-hierarchy concept of business management and some of the changes in economic conditions that lead to the need for a change in management concepts. By answering the items below, you should be able to analyze the factors that created the need for a new workplace environment for businesses in the United States.

1. Describe the "visible manifestations" of the wage-labor mind-set created by the managerial-hierarchy concept.
2. Describe the factors that "rocked the marketplace" and created the need for a change in the management style used by businesses in the United States today.

Reading Check 2 (cont.)

Section 3. Pages 19 through 26 describe the characteristics of the open-book concept of management. You should be able to analyze the new business environment created by the open-book concept by answering the items below.

1. Describe the common mind-set concerning the role of the employee in the open-book management style.
2. Describe the four critical aspects of a business' structure and operations necessary to create an open-book workplace environment.
3. Describe the benefits of creating an open-book workplace environment.
4. Describe the difficulties of creating an open-book workplace environment.

Part C **Determine how changes in the workforce are changing the workplace environment in the United States**

Reading assignment Read the information presented in the following components.

Student supplements

- Student Supplement 3, "Future Force"

  Note: The information presented in Student Supplement 3, "Future Force" (an article from *Entreprenur* magazine) will help you understand the changes currently taking place in the makeup of the workforce and what these changes will mean for both employers and employees.

Assignment Sheet 1

Reading assignment (cont.)

- Student Supplement 4, "Managing a Diverse Workforce"

Note: The information presented in Student Supplement 4 will help you understand some of the strategies employers and employees will use in meeting the challenges of working with a diverse workforce.

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. You and your group partner will **answer the items on Reading Checks 3 and 4.**

______ 2. Turn your answer sheets in to your instructor for **evaluation**.

______ 3. Your instructor will return your answer sheets with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your answer sheets to your instructor for **final evaluation**.

Reading Check 3—"Future Force"

1. Erika Kotite says that the baby boomers, women, minorities (blacks, Hispanics, and Asians) will play important roles in the future workforce. State the percentage of the workforce each of these groups will make up and describe some of the important issues and policies that will be important to each group.

2. Kotite says that possible shortages in the workforce will likely create openings for "new faces" in the workforce. Name the groups most likely to fill openings created by these shortages.

3. Describe why Kotite believes employees will need to be given some decision-making power as a part of the normal business-management style.

Assignment Sheet 1

Reading Check 4—Managing a Diverse Workforce

1. Define the term *diverse*.
2. Discuss the two categories that describe the ways people differ from each other.
3. Discuss strategies entrepreneurs can use in creating a workplace environment that values diversity.
4. List the ways entrepreneurs become role models showing that they value diversity.

The Entrepreneurial Workplace

Assignment Sheet 2—Practice Intrapreneurial Skills

Name ______________________________ Overall rating ______________

Evaluation criteria	**Rating**
Directions have been followed.	_____
Content of information provided in benefits report is relevant, well thought out, and reflects understanding of the materials presented in the information sheet, Objectives 7 and 8, and Student Supplements 2, 3, and 4.	_____

Introduction

You learned in Objective 3 of the information sheet that *economics* is the "study of how people use their limited resources to satisfy their needs and wants." You also learned by reading Student Supplements 2, 3, and 4 that employees must become intrapreneurs if companies are to survive in today's economy. Your goal in this assignment sheet is to practice the new powers granted to intrapreneurs by accepting the responsibility of using limited resources to design a benefits package for an entrepreneurial business, ENTY.

Exercise

Reading assignment

Read the information presented in the following components.

Information sheet

- Objective 7, Definition of the term *intrapreneur*
- Objective 8, Role of the intrapreneur in the current workplace environment

Assignment sheet

- Assignment Sheet 1—Review your answer sheets to Reading Check 2—"A Company of Businesspeople"
- Assignment Sheet 1—Review your answer sheets to Reading Check 3—"Future Force" and Reading Check 4—Managing a Diverse Workforce

Assignment Sheet 2

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. Your instructor will divide your class into groups with at least three to a group. Your group should **study the information provided in the scenario below and on the next page**.

______ 2. Design a benefits package for ENTY's employees. **Prepare a written report** describing your benefits package and explaining why your group selected the plan it did. Provide **cost figures** for each benefit your group selects.

______ 3. Turn your benefits package report in to your instructor for **evaluation**.

______ 4. Your instructor will return your report with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your report to your instructor for **final evaluation**.

ENTY Scenario

Wanda Marker hated the way her car and her lawn furniture rusted. Using her past experience as a chemist, Wanda developed a new paint product that prevented metal from rusting. She then borrowed money to modify second-hand equipment, set up a production line in her barn, and ENTY was born.

- ENTY has 75 employees.
- Fifty-five of the employees are between the ages of 25 and 35 and have young children.
- Four employees have the responsibility of caring for their parents.
- While ENTY has the latest safety devices, 70 of the company's employees are considered to be in a high-risk group for disabling injuries.
- The plant operates three eight-hour shifts.
- Twenty-five employees have expressed a desire for flexible work hours.
- Wanda wants to meet her employees' needs, but benefits can only be 8 percent of gross income ($6,000,000). If benefits were at a higher percentage, the additional cost would necessitate a boost in product price, a move Wanda feels would result in a loss of market share.

Assignment Sheet 2

ENTY Scenario (cont.)

- Wanda has asked a team of her employees to help her decide which benefits should be included in the employee benefit package. She has assigned each benefit a cost. See Table 1 below.

Table 1: Estimated costs of benefits

Description	**Cost** (in thousands)
Current medical benefits without dental or eye care	$250
Dental/eye care coverage	30
Day care for children	100
Day care for parents	50
Disability insurance	50
Flextime	100
Life insurance	30

The Entrepreneurial Workplace

Assignment Sheet 3—Profile Employee Perceptions of Their Workplace Environment

Name ______________________________ Overall rating ____________

Evaluation criteria	**Rating**
Directions have been followed.	______
Content of student paper is relevant, well organized, and reflects knowledge of the information presented in Student Supplement 3 and Student Supplement 4.	______

Introduction

When you read Student Supplement 4, "Managing a Diverse Workforce," you learned categories that describe the ways people differ from each other and strategies employers can use in showing that they value diversity in the workplace. Your goal in this assignment sheet is to analyze the workplace experiences of two people to determine their perspectives of how well their employers have met the challenge of managing a diverse workforce.

Exercise

Reading assignment

Read the information presented in the following component.

Assignment sheet

- Assignment Sheet 1—Review your answer sheets to Reading Check 4—Managing a Diverse Workforce

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. Your instructor will divide your class into groups of two, and you and your partner will identify two people who are presently employed in a local business. These people should differ in at least one of the four core differences you learned about in Student Supplement 4.

______ 2. You and your group partner will **interview** and then **write a paper that profiles and compares** the personal background and work experience of each person you have identified. Your paper must cover at least the items in the **Analysis Check** on page 51.

Assignment Sheet 3

Activity checklist (cont.)

______ 3. Turn your paper in to your instructor for **evaluation**.

______ 4. Your instructor will return your paper with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your paper to your instructor for **final evaluation**.

Assignment Sheet 3

Analysis Check

1. Describe yourself with reference to each of the core differences listed below.

- Age
- Race
- Gender
- Physical abilities

2. Describe yourself with reference to each of the changeable differences listed below.

- Educational background
- Marital status
- Military experience
- Parental status
- Religious beliefs
- Geographic location
- Wealth
- Work experience

3. Evaluate how well your present workplace environment values diversity.

- For each of the following items, rate your present workplace environment on a scale from 1 to 7, using the rating scale below.

	Your company creates a workplace environment that . . .	**strongly disagree**						**strongly agree**
a.	Nurtures respect and eliminates stereotypes and prejudice.	1	2	3	4	5	6	7
b.	Does **not** tolerate inappropriate language.	1	2	3	4	5	6	7
c.	Identifies shared principles.	1	2	3	4	5	6	7
d.	Makes certain no ones feels threatened.	1	2	3	4	5	6	7
e.	Ensures management models appropriate behaviors and company policies reflect the commitment to valuing diversity.	1	2	3	4	5	6	7

- For the following item, rate your present workplace environment on a scale from 1 to 7, using the rating scale described below.

f. Overall, I would rate my company's commitment to diversity as:

1	2	3	4	5	6	7
very poor	poor	below average	average	very good	superior	exceptional

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The Entrepreneurial Workplace

Assignment Sheet 4—Analyze the Workplace Environment of an Entrepreneurial Business

Name ________________________________ Overall rating ____________

Evaluation criteria	**Rating**
Directions have been followed.	______
Content of student paper is relevant, well organized, and reflects understanding of the materials presented in the information sheet and student supplements.	______

Portfolio Assignment

Introduction

As you studied this unit, you should have become more aware of how the workplace environment created by a company affects the company's ability to react to changing economic and cultural conditions. Your goal in this assignment is to explore how a workplace environment has affected one particular entrepreneurial business.

Exercise

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. Your instructor will divide your class into groups and provide each group with a list of successful and innovative local entreprenurial businesses.

Your group will work with your instructor to **identify a business appropriate for you to contact**.

______ 2. Your group will schedule an **interview** with the entrepreneur. During the interview, ask the entrepreneur to discuss the items in the **Interview Outline** on the next page.

______ 3. After the interview, use the information to **write a paper that profiles** the workplace environment in his or her entrepreneurial business.

Your instructor will provide you with guidelines explaining the format of the finished report. This assignment will be collected and retained in a portfolio that will become a record of the progress you have made in your study of entrepreneurship.

Assignment Sheet 4

Activity checklist (cont.)

______ 4. Turn your paper in to your instructor for **evaluation**.

______ 5. Your instructor will return your paper with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your paper to your instructor for **final evaluation**.

Interview Outline

1. Describe the organizational chart for the jobs in your business.
2. Describe your mind-set as to employee requirements in each of the following areas:
   - Amount of employee supervision required.
   - Limits placed on each employee's individual work-related decision-making.
   - Methods used to motivate employees—both monetary and nonmonetary.
   - Amount of information employees need concerning the profit and loss figures of the business.
   - Types of training programs required by employees—both entry-level and long-term employees.
3. Describe the makeup of your workforce in each of the following areas:
   - Number of employees in each of the following age ranges—20 through 29, 30 through 39, 40 through 49, 50 through 59, 60 through 69, over 69.
   - Number of women in your workforce.
   - Number of people in minority groups such as black, Hispanic, Asian, Native American, etc.
   - Number of people with disabilities.
4. Describe the diveristy-awareness program established for your business.

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CUSTOMER SERVICE EQUALS $UCCESS

Customer Service = $uccess

Student Edition

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Customer Service = $uccess

Objective Sheet

Unit objective

After completing this unit, the student should be able to identify and analyze the entrepreneurial and intrapreneurial attitudes necessary to provide for quality customer service. The student should demonstrate these competencies by completing the assignment sheets and by scoring a minimum of 85 percent on the written test.

Specific objectives

After completing this unit, the student should be able to

1. Match to their correct definitions terms associated with customer service.
2. List reasons entrepreneurs must provide quality customer service.
3. List techniques entrepreneurs use to ensure their business provides quality customer service.
4. List reasons intrapreneurs must provide quality customer service.
5. Complete statements about techniques intrapreneurs use to ensure they provide quality customer service.
6. List ways intrapreneurs demonstrate a positive attitude toward quality customer service.
7. List in order the basic problem-solving steps.
8. List reasons intrapreneurs should learn to apply problem-solving skills.
9. Develop a customer profile and write a customer-service strategy. (Assignment Sheet 1)
10. Handle customer complaints. (Assignment Sheet 2)
11. Analyze the customer services provided by an entrepreneur. (Assignment Sheet 3)

Customer Service = $uccess

Information Sheet

1. **Terms and definitions associated with customer service**

- **Attitude** — Mental position
- **Customer** — Person who purchases a product or service
- **Customer service** — Positive and productive interaction between a business organization and the customers it serves
- **Defense mechanism** — Behavior used to cope with difficulties

  Examples: Rationalizing, blaming someone or something else, taking out feelings on another person, covering up or hiding problems from oneself

- **Empathy** — Ability to put yourself in the other person's shoes; understanding how the other person feels
- **Entrepreneur** — Person who attempts to earn money and make profits by taking the risk of owning and operating a business
- **Intrapreneur** — Employee who possesses and applies entrepreneurial skills in the workplace
- **Open-ended question** — Question that is designed to encourage a complete response from the person being questioned

  Note: *Open-ended* questions encourage a person to answer a question in several sentences as opposed to a *closed* question that encourages a person to answer with only a yes or a no.

- **Rationalization** — One of the most frequently used defense mechanisms; used to explain something to oneself so that it sounds reasonable; to make excuses to oneself

  Example: "So what if she was dissatisfied. It wasn't my fault. How can I be responsible for confirming every delivery."

- **Reflective question** — Question that mirrors (reflects) the other person's feelings or ideas through rephrasing or summarizing

  Example: "I can see why you are dissatisfied that the delivery was not made on time. Now, how can I help make sure we meet your future needs?"

Information Sheet

2. Reasons entrepreneurs must provide quality customer service

Note: Successful entrepreneurs know that they stay in business by getting and keeping customers, and therefore, they view quality customer service as their biggest business asset. Customer Service = $uccess.

- To attract customers to your business
- To get customers to return to your business
- To get customers to refer other customers to your business
- To stay in business

3. Techniques entrepreneurs use to ensure their business provides quality customer service

- Develop a **customer profile** to describe your typical customers and define what services your typical customers expect.

  Note: A customer profile is developed from data collected through customer and market surveys. The purpose of a customer profile is to determine the services your customers want. Services customers want are divided into two categories: (1) tangibles, such as a quality product, a convenient warehouse, and to-their-door delivery, and (2) intangible "attitudes of service."

  Note: See Student Supplement 2 for sample market/customer surveys.

- Write a **customer-service strategy** to define and measure the attitudes of service your company values for providing quality customer service.

  Note: A customer-service strategy includes (1) a **vision/mission statement** that defines the attitudes of service you want your company to project and (2) a **policies and procedures statement** that states standards and measurements for providing those attitudes of service.

  Note: See Student Supplement 3 for sample vision/mission statements and Student Supplement 4 for sample policies and procedures statements.

- Develop an **intrapreneur orientation program** for new employees and regularly scheduled **re-orientation programs** for current employees.

  Note: After you have developed a customer profile and a clear customer-service strategy for the attitudes of service you want your company to convey to your customers, you must in turn convey this strategy to your employees (intrapreneurs) through regularly scheduled orientation and re-orientation programs.

Information Sheet

- **Empower your company's intrapreneurs** as customer communicators and customer problem-solvers.

  Note: Empowering your employees is motivating your company's intrapreneurs to use professional judgment and discretion on the customer's behalf.

- Devise methods to encourage **customer feedback**.

  Examples: Personally conduct direct customer interviews asking for feedback on the effectiveness of your company's customer-service strategies; provide a toll-free customer-service line and monitor customer complaints and suggestions; mail out a written customer-service survey or have a telemarketing company conduct one for your company; develop a warranty system and product-registration cards.

4. Reasons intrapreneurs must provide quality customer service

Note: The customer service intrapreneurs provide determines whether or not the business attracts and keeps its customers.

- To attract customers to your business
- To get customers to return to your business
- To get customers to refer other customers to your business
- To promote better business

  Note: Better business benefits everyone—the customer, the entrepreneur, and you, the intrapreneur.

- To provide yourself—through better business—with job security
- To increase your earnings
- To promote self-pride and job satisfaction

5. Techniques intrapreneurs use to ensure they provide quality customer service

- Focus on the customer's wants and needs.
- Understand the company's organizational structure and company values.

  Note: An intrapreneur learns about the business' structure and values by participating in an intrapreneur orientation program and regularly scheduled re-orientation programs.

Information Sheet

- Know what services you can offer customers.

- Take action to satisfy customer needs.

- Be aware of "body language"—both yours and the customer's.

  Examples: Tone of voice, hand gestures, eye contact, general posture, facial expressions

- Be a team player.

  Note: Giving quality customer service requires teamwork—everyone pulling together to provide quality service.

- Develop a positive attitude.

6. Ways intrapreneurs demonstrate a positive attitude toward quality customer service

- Doing more than is expected

  Example: If a customer seems tired, ask if there is anything you can do for him or her.

- Always being polite

  Example: Smile, use a pleasant tone of voice, and always say "Please," "Thank you," and "You're welcome" to every customer.

- Leaving your personal problems at home

- Being friendly

  Examples: Warm smile, eye contact, sense of humor

- Being prompt

  Note: Show your interest by being on time and by following through on arrangements and details. Customers appreciate not being forgotten and not having to wait.

- Taking pride in your work

  Note: A lot of people depend on you: customers, co-workers, and family. Have a *can do* attitude. Never say, "It's not my job."

Information Sheet

- Taking pride in how you look

  Note: A neat, well-groomed appearance tells customers that you respect yourself and them.

- Being open to change

- Viewing customer complaints as an opportunity to problem-solve and improve customer service

7. **Basic problem-solving steps** (see Figure 1)

   Note: As an empowered intrapreneur, you will be faced with problems that you must solve or learn to cope with. As you make decisions and react to situations, use the following problem-solving steps and treat the customer as you would want to be treated in similar circumstances.

   - **Step 1:** Recognize the problem.

   - **Step 2:** Get the facts.

   - **Step 3:** Consider the facts.

   - **Step 4:** Determine the goal or objective desired with the solution of the problem.

   - **Step 5:** Determine several possible solutions.

   - **Step 6:** Select one solution.

     Note: Some people find it helpful to list on a sheet of paper the pros and cons in their order of importance. They also list the possible consequences or results of each solution. The best solution can then be selected by a process of elimination.

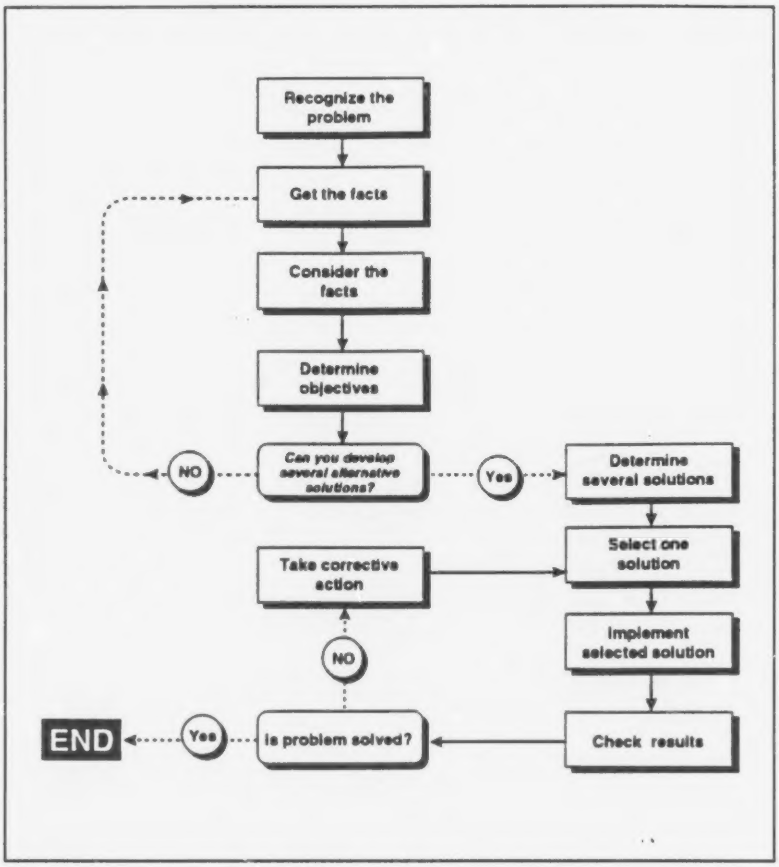
   - **Step 7:** Implement selected solution.

   - **Step 8:** Follow up to check results.

     Note: Check the results of your actions to determine whether or not your solution to the problem is working. If it is not, re-evaluate the situation and go through the problem-solving steps again until you obtain the desired results.

Information Sheet

Figure 1: Basic problem-solving steps


Recognize the problem
Get the facts
Consider the facts
Determine objectives
Can you develop several alternative solutions?
NO
Yes
Determine several solutions
Select one solution
Take corrective action
Implement selected solution
NO
END
Yes
Is problem solved?
Check results

8. Reasons intrapreneurs should learn to apply problem-solving skills

- You will become a better employee as you learn about human nature and how to treat all customers equally and pleasantly regardless of race, sex, or religion.

  Note: Many skilled people have the technical knowledge needed to carry out specific job duties, but they have not learned the skills necessary for dealing with people.

- You will learn to cooperate with

  —co-workers,
  —employers,
  —customers, and
  —family members.

- You will be able to assess situations with people more accurately.

Information Sheet

- You will enjoy interactions with people on the job, so will be more satisfied with your place of employment.
- You will be able to cope with problems more realistically, focusing on the facts of the problem rather than allowing emotions and personalities to interfere.
- You will make a good impression for your company.
- You will understand yourself better and develop positive self-esteem.
- You will be able to improve social and work relationships.

Customer Service = $uccess

Student Supplement 1—Entrepreneurial Customer-Service Techniques

Introduction

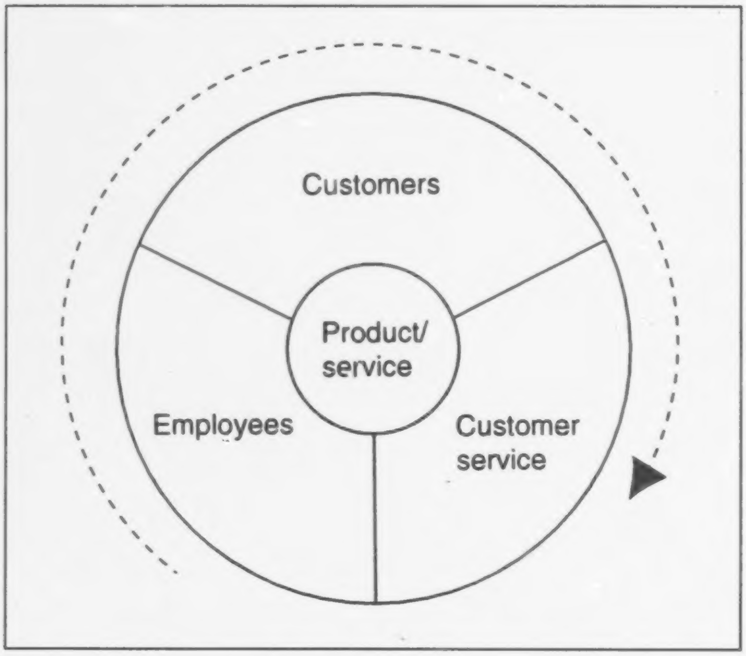
An entrepreneur's goal is to get customers and keep them. You need customers to stay in business and to expand your business; therefore, you must view quality customer service as your biggest business asset.

At the center of any entrepreneurial business is the product or service you have to offer the customer (see Figure 1). However, a quality product/service alone will not make a business successful. Along with a quality product/service, successful entrepreneurs must analyze three other key factors to keep the business rolling:

1. The business' customers
2. The business' employees (intrapreneurs)
3. The business' customer service.

When these four key factors (product/service, customers, employees, and customer service) turn together as "cogs in a wheel," the business will be in position to move forward.

Figure 1



Student Supplement 1

Provide quality customer service

Entrepreneurs use the following techniques to ensure their business provides quality customer service:

- Customer profile
- Customer-service strategy (vision/mission statement and policies and procedures statements)
- Intrapreneur orientation and re-orientation programs
- Employee empowerment

Develop a customer profile

Richard C. Whiteley, author of *The Customer-Driven Company*, states that successful businesses do not just manufacture products—they must also produce satisfied customers. And, to produce satisfied customers, businesses need to know their customers. The daily experience of selling to customers gives entrepreneurs a fair understanding of who buys and how they buy. But, it is important to dig deeper into understanding *why* customers buy.

To understand *why* customers buy and to get to know their customers, entrepreneurs develop a **customer profile** that describes

1. Their company's typical customers.
2. The tangible services (warehouse, delivery trucks, etc.) their company must provide to satisfy their typical customers.
3. The intangible "attitudes of service" their company must provide to satisfy their typical customers.

To develop these three descriptions, the entrepreneur must gather and analyze data about their typical customers' basic needs, values, lifestyles, and buying motivations in relation to your business' product/service. This data is gathered by conducting two types of research:

1. Market research
2. Customer research

Both market research and customer research are conducted through surveys. The information obtained through the questions asked on either type of survey is then tabulated by categories and analyzed.

Market research is used to create the description of a company's typical customers. It involves gathering demographic information ("hard data") on the customers' average age range, where they live geographically, marital status, percentages of male/female, levels of education, ethnic background, income range, types of employment, etc. See Student Supplement 2 for two sample market surverys.

Student Supplement 1

Customer research is used to create the description of the tangible services and the intangible "attitudes of service" your company must provide. Customer research goes a step beyond the collection of factual, "hard" data gathered by market research. Customer research investigates your typical customers' buying motivations, expectations, thoughts, and feelings toward your company, and then, this information is tabulated and analyzed. By tabulating and analyzing the survey information, the strengths and weaknesses of your business organization are brought to light.

For two examples of how this is done, locate the sample customer survey for Stillwater National Bank in Student Supplement 2. Then locate Item 1 and Item 8 on the survery. If 100 customers were surveyed, the results of these two survey items might be tabulated and analyzed as follows.

Item 1. When the people at Stillwater National Bank promise to do something by a certain time, they do it (rating 1 to 7 from strongly disagree to strongly agree).

2 percent rated 1 (strongly disagree)
3 percent rated between 2 and 3
5 percent rated 4
20 percent rated between 5 and 6
70 percent rated 7 (strongly agree)

These results indicate that the majority of Stillwater National Bank's customers have confidence in employee promises—a strength that should be acknowledged and reinforced with the bank's employees.

Item 8. The employees at Stillwater National Bank do not give you individual, personal attention (rating 1 to 7 from strongly disagree to strongly agree).

5 percent rated 1 (strongly disagree)
10 percent rated between 2 and 3
35 percent rated 4
40 percent rated between 5 and 6
5 percent rated 7 (strongly agree)

These results indicate that customers feel the bank's employees demonstrate a weakness in the area of providing individual service. With this information, the bank's employees can focus on learning to meet their customers' expectations for individual service.

Student Supplement 1

Write a customer-service strategy

The day-to-day attitudes and actions you and your employees exhibit in providing quality customer service come from a well-defined customer-service strategy. You begin developing a customer-service strategy by studying the customer profile for your business and then asking three critical questions:

1. Who are your customers?
2. What is valuable to them?
3. How are they satisfied?

Vision/mission statement. By answering "who, what, and how," you define your purpose—your *vision* or *mission* for being in business. A detailed vision/mission statement then becomes the basis for the standards and measurements you will use to monitor your business success—the policies and procedures you set up for your company.

A vision/mission statement expresses what your company stands for by stating your business goals. It is a detailed, ideal "picture" of how you want your company connected to your customers. This picture may or may not reflect your current connection with your customers, but it should be the ideal you are shooting for at some point in the future. Your vision/mission statement can be brief—a few short, powerful words—or it can be lengthy, consisting of several pages, but it should be a clear, well-defined description of your idea of a "model company" as it relates to your type of business.

A well-defined vision/mission statement is important for two reasons:

1. It serves as a source of inspiration to empower employees to serve their customers.
2. It provides all members of a business organization with a common goal from which all policies and procedures are developed.

Components of a vision/mission statement include

1. A statement of what product/service your company provides.
2. A statement of how your company will treat its customers.
3. A statement of how your company will meet customers' needs.
4. A statement concerning what part company employees will play in providing service to your customers.
5. A statement of your company values in the marketplace.

Student Supplement 1

Shaping a vision and writing a vision/mission statement involve the following steps:

1. Define what kind of company you want.
2. Describe what the company will be like for your customers and employees when the vision is achieved.
3. State what you want people to say about your company.
4. Describe the values you feel are most important to the success of your company.
5. Describe how your company's values are linked to your customers' interests and needs.
6. Describe how your employees and customers fit into the vision.
7. Obtain input from your employees as to their views of the vision/mission statement.
8. Draft and redraft the written statement so it is clear and concise.

See Student Supplement 3 for sample vision/mission statements.

Policies and procedures statement. A policies and procedures statement defines your company's service-delivery system for promoting customer satisfaction and provides a systematic approach for resolving difficulties in the service-delivery system. Whereas the vision/mission statement is like an artist's rendering of a model car, the policies and procedures statement is like an engineer's blueprint for building the car.

Components of a policies and procedures statement include

1. A statement of the customer-service goal.
2. A statement of the warranty policy.
3. A statement of the procedure for returns or complaints.
4. Phone numbers and addresses for contacting customer-service personnel.
5. A statement of the steps employees will take to resolve service problems.

Steps in developing a policies and procedures statement include

1. Describe your customers' needs.
2. Describe what your customers expect from your company in the way of service.
3. Describe how your customers can communicate a service problem.
4. Describe added services you can offer that your competitors do not.

5. Obtain input from your employees as to their views of the policies and procedures statement.
6. Draft and redraft the written statement so it is clear and concise.

See Student Supplement 4 for sample policies and procedures statements.

Basically then, a customer-service strategy is (1) a vision/mission statement that defines your purpose for being in business and (2) a plan (policies and procedures statement) that focuses on how you will achieve your vision or mission.

Your customer-service strategy should be printed and posted in a visible location so that your company's intrapreneurs—and your customers—can refer to it easily and repeatedly. It can be any length or any style of writing as long as it conveys professionalism.

Develop intrapreneur orientation and re-orientation programs

When you have developed a clear customer-service strategy, you must then convey this strategy to your employees (intrapreneurs). The entrepreneur and intrapreneurs working together toward the same goal, with a consistent customer-service strategy, significantly increases the chances of satisfying your customers and, ultimately, ensuring your business' success.

New-employee orientation program. Employees of any organization have rights, services, and programs available to them and you have policies, procedures, and a vision you need to make your employees aware of. It is your responsibility to present this information to your employees in a clear, concise format. This information is usually presented in an employee orientation program. A well-designed employee orientation program includes facts and figures about where your company has been, where you see it going, and particularly, how you plan to get there.

Employee re-orientation programs. Employee re-orientation programs should be scheduled for both new and current employees. These programs provide you with an opportunity to pull the company together on a regular basis. In addition to giving factual information, re-orientation programs should

1. Confirm your customer-service strategy.
2. Create a partnership attitude between the entrepreneur, intrapreneur, and customers.
3. Focus on values.
4. Establish consistency.
5. Encourage open communication.
6. Motivate.

Student Supplement 1

Intrapreneurs can easily get caught up in the day-to-day activities of their job to a point where they lose sight of the "big picture"—your vision for your company. For the good of your company, you must regularly check intrapreneurial attitudes and bring them back into focus so that your educated and motivated employees will continually convey a positive attitude toward your customers.

Empower your employees

Employee empowerment involves kindling, reinforcing, and amplifying your employees with a spirit of service excellence. Three elements are involved in empowering employees:

1. Leadership
2. Training
3. Trust

Leadership. The attitudes you project in business will be emulated by your employees and, ultimately, your customers are influenced by these attitudes through contact with your employees. Generating a spirit of teamwork that encourages employees to care about each other and take pride in their contribution to your business will create a commitment to service excellence throughout your organization, and customers, sensing this commitment to service, will feel secure about doing business with your company. Your leadership abilities are the motivating force behind nurturing this spirit in your employees.

A good entrepreneurial leader takes charge without ruling and leads employees to focus their efforts outward to their customers. An entrepreneur who places emphasis on *managing* rather than *leading* will often have employees who spend most of their time focusing inward—competing among themselves in fighting for status, trying to outguess their fellow employees in figuring out what the boss wants, and concentrating on themselves rather than on their customers. Customers sense the effects of your leadership through the attitudes projected by your employees.

Training. In order to empower your employees, you must create an organizational atmosphere that

1. Recognizes that teamwork is the basis for empowering employees with a common goal.
2. Provides for open discussion of common problems.
3. Encourages idea exchange as a method for finding solutions to problems.
4. Trains employees to be knowledgeable and well informed.
5. Trusts your employees as partners able to use professional judgment in well-defined situations.

Student Supplement 1

Training your employees equips them with the tools needed for handling customer situations in your absence. Take, for example, the purchasing agent's secretary who caught a $5000 pricing error the agent had made in filling a large order. Through being empowered by the purchasing agent, the secretary was able to save the day and correct the error before it became a problem for the customer.

Trust. Training your employees also enables you to trust your employees to take control of certain situations. This feeling of being in control to use their professional knowledge and judgment provides intrapreneurs with a sense of purpose and satisfaction in knowing they can do the job and nurtures the positive attitude that they are partners—not just workers—in your company.

Customer Service = $uccess

Student Supplement 2—Sample Market/Customer Surveys

Sample A: Market survey—Crafts, Unlimited

Sample B: Market survey—Home Appliance Technologies, Inc.

Sample C: Customer survey—Stillwater National Bank

Sample A: Market Survey

Market Survey
Crafts, Unlimited

Thank you for purchasing our product. Please register your name and address right away to help us contact you in the unlikely event of a product recall. By filling out the survey below, you will help us to better understand our customers.

Name ______________________________

Address ______________________________

City, State, Zip ____________________ Phone ______________

For the purposes of classification, please circle the category that describes you.

Age
1. 25-34 years old
2. 35-44 years old
3. 45-54 years old
4. 55-64 years old
5. 65 years old or more

Sex
1. female
2. male

Ethnicity
1. African-American
2. Asian-American
3. Caucasian-American
4. Hispanic-American
5. Native American
6. foreign born

Years living in the area
1. less than 1 year
2. 1 - 9 years
3. 10 - 20 years
4. more than 20 years
5. all my life

Marital status
1. never married
2. currently married
3. currently single (separated, divorced, widowed)

Highest level of education completed
1. some high school
2. high school graduate (GED as well)
3. some college or technical school
4. college graduate
5. graduate work or degree
6. terminal degree (Ed.D, Ph.D., MD, OD, MFA, etc.)

Thank you for taking the time to complete this questionnaire.

Sample B: Market Survey

Market Survey
Home Appliance Technologies, Inc.

Thank you for purchasing our product. Please register your name and address right away to help us contact you in the unlikely event of a product recall. By filling out the survey below, you will help us design new products and better understand our customers.

A. 1. ☐ **Mr.** 3. ☐ **Ms.**
2. ☐ **Mrs.** 4. ☐ **Miss**

First Name **MI**

Last Name

Street

Apt. No.

City

State **Zip**

B. **Home Telephone**

( )

C. **Date of Purchase**

Month Day Year

D. **Now that you have purchased this product, how has your opinion of Home Appliance Technologies, Inc., changed?**

1. ☐ Much more positive than before
2. ☐ Somewhat more positive than before
3. ☐ About the same as before
4. ☐ Somewhat more negative than before
5. ☐ Much more negative than before

E. **Do you or anyone else in your household own or plan to purchase any of the following in the next 6 months?**

	Own		Plan to Buy
1. Toaster Oven	☐	1.	☐
2. Food Processor	☐	2.	☐
3. Electric Can Opener	☐	3.	☐
4. Popcorn Popper	☐	4.	☐
5. Coffee Grinder	☐	5.	☐
6. Electric Juicer	☐	6.	☐
7. Slow Cooker	☐	7.	☐
8. Electric Food Steamer	☐	8.	☐
9. Electric Wok	☐	9.	☐
10. Microwave Oven	☐	10.	☐
11. Drip Coffeemaker	☐	11.	☐
12. Blender	☐	12.	☐
13. Appliance Mounted Under-The-Cabinet	☐	13.	☐
14. Mixer	☐	14.	☐
15. Food Chopper	☐	15.	☐
16. Sandwich Grill	☐	16.	☐
17. Crepe Maker	☐	17.	☐
18. Pasta Maker	☐	18.	☐
19. Espresso Maker	☐	19.	☐
20. Cordless Hand-Held Vac	☐	20.	☐
21. Corded Hand-Held Vac	☐	21.	☐
22. Auto-Off Iron	☐	22.	☐
23. Smoke Alarm	☐	23.	☐
24. Rechargeable Light	☐	24.	☐

F. **Date of birth of person whose name appears above**

Month Day Year

G. **Excluding yourself, what is the SEX and AGE (in years) of children and other adults living in your household?**

1. No one else in household

Male	Female	Age
1. ☐	2. ☐	______ years
1. ☐	2. ☐	______ years
1. ☐	2. ☐	______ years
1. ☐	2. ☐	______ years

H. **Marital status:**

1. ☐ Married 3. ☐ Divorced/Separated
2. ☐ Widowed 4. ☐ Never Married (Single)

I. **Occupation:**

	You		Spouse
1. Homemaker	☐	1.	☐
2. Professional/Technical	☐	2.	☐
3. Upper Mgmt/Executive	☐	3.	☐
4. Middle Management	☐	4.	☐
5. Sales/Marketing	☐	5.	☐
6. Clerical or Service Worker	☐	6.	☐
7. Tradesperson/Machine Operator/Laborer	☐	7.	☐
8. Retired	☐	8.	☐
9. Student	☐	9.	☐
10. Self Employed/ Business Owner	☐	10.	☐

J. **Which group describes your annual family income?**

1. ☐ Under $15,000
2. ☐ $15,000-$19,999
3. ☐ $20,000-$24,999
4. ☐ $25,000-$29,999
5. ☐ $30,000-$34,999
6. ☐ $35,000-$39,999
7. ☐ $40,000-$44,999
8. ☐ $45,000-$49,999
9. ☐ $50,000-$59,999
10. ☐ $60,000-$74,999
11. ☐ $75,000-$99,999
12. ☐ $100,000 & over

K. **Education:** (Please check those which apply)

	You		Spouse
1. Some High School or less	☐	1.	☐
2. Completed High School	☐	2.	☐
3. Vocational/Technical School	☐	3.	☐
4. Some College	☐	4.	☐
5. Completed College	☐	5.	☐
6. Some Graduate School	☐	6.	☐
7. Completed Graduate School	☐	7.	☐

L. **Which credit cards do you use regularly?**

1. ☐ American Express, Diners Club
2. ☐ MasterCard, Visa, Discover
3. ☐ Department Store, Oil Company, etc.
4. ☐ Do not use credit cards.

M. **For your primary residence, do you:**

1. ☐ Own a House?
2. ☐ Own a Townhouse or Condominium?
3. ☐ Rent a House?
4. ☐ Rent an Apartment, Townhouse, or Condominium?

N. **To help us understand our customers' lifestyles, please indicate the interests and activities in which you or your spouse enjoy participating on a regular basis:**

1. ☐ Bicycling Frequently
2. ☐ Golf
3. ☐ Physical Fitness/Exercise
4. ☐ Running/Jogging
5. ☐ Snow Skiing Frequently
6. ☐ Tennis Frequently
7. ☐ Camping/Hiking
8. ☐ Fishing Frequently
9. ☐ Hunting/Shooting
10. ☐ Power Boating
11. ☐ Sailing
12. ☐ House Plants
13. ☐ Grandchildren

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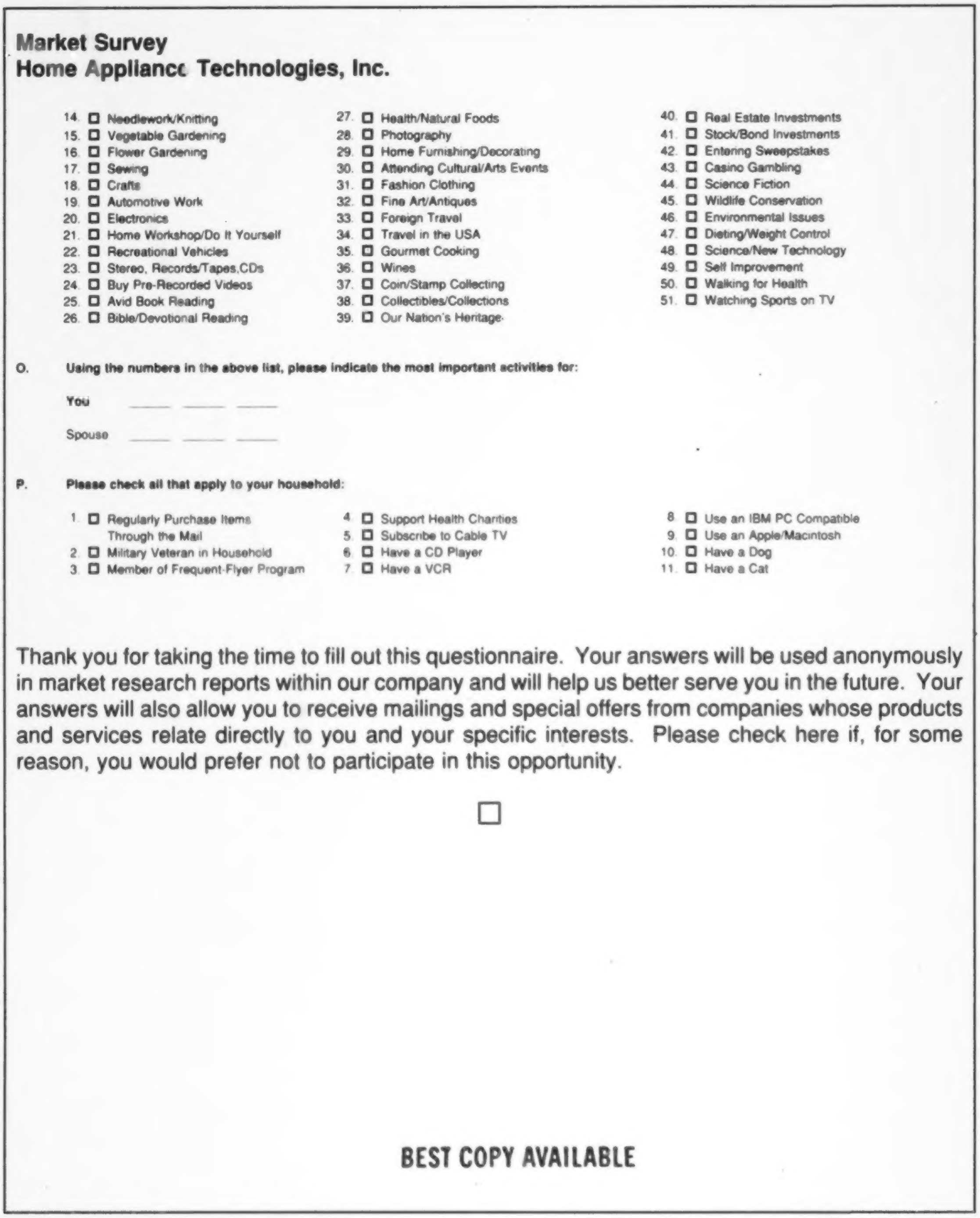
Sample B (continued)



Market Survey
Home Appliance Technologies, Inc.

14. ☐ Needlework/Knitting
15. ☐ Vegetable Gardening
16. ☐ Flower Gardening
17. ☐ Sewing
18. ☐ Crafts
19. ☐ Automotive Work
20. ☐ Electronics
21. ☐ Home Workshop/Do It Yourself
22. ☐ Recreational Vehicles
23. ☐ Stereo, Records/Tapes,CDs
24. ☐ Buy Pre-Recorded Videos
25. ☐ Avid Book Reading
26. ☐ Bible/Devotional Reading
27. ☐ Health/Natural Foods
28. ☐ Photography
29. ☐ Home Furnishing/Decorating
30. ☐ Attending Cultural/Arts Events
31. ☐ Fashion Clothing
32. ☐ Fine Art/Antiques
33. ☐ Foreign Travel
34. ☐ Travel in the USA
35. ☐ Gourmet Cooking
36. ☐ Wines
37. ☐ Coin/Stamp Collecting
38. ☐ Collectibles/Collections
39. ☐ Our Nation's Heritage
40. ☐ Real Estate Investments
41. ☐ Stock/Bond Investments
42. ☐ Entering Sweepstakes
43. ☐ Casino Gambling
44. ☐ Science Fiction
45. ☐ Wildlife Conservation
46. ☐ Environmental Issues
47. ☐ Dieting/Weight Control
48. ☐ Science/New Technology
49. ☐ Self Improvement
50. ☐ Walking for Health
51. ☐ Watching Sports on TV

O. **Using the numbers in the above list, please indicate the most important activities for:**

You ____ ____ ____

Spouse ____ ____ ____

P. **Please check all that apply to your household:**

1. ☐ Regularly Purchase Items Through the Mail
2. ☐ Military Veteran in Household
3. ☐ Member of Frequent-Flyer Program
4. ☐ Support Health Charities
5. ☐ Subscribe to Cable TV
6. ☐ Have a CD Player
7. ☐ Have a VCR
8. ☐ Use an IBM PC Compatible
9. ☐ Use an Apple/Macintosh
10. ☐ Have a Dog
11. ☐ Have a Cat

Thank you for taking the time to fill out this questionnaire. Your answers will be used anonymously in market research reports within our company and will help us better serve you in the future. Your answers will also allow you to receive mailings and special offers from companies whose products and services relate directly to you and your specific interests. Please check here if, for some reason, you would prefer not to participate in this opportunity.

☐

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Sample C: Customer Survey

Customer Survey
Stillwater National Bank

With the following items, please circle your attitude toward **STILLWATER NATIONAL BANK.**

strongly disagree … **strongly agree**

1. When the people at Stillwater National Bank promise to do something by a certain time, they do it. 1 2 3 4 5 6 7
2. Stillwater National Bank is consistently dependable. 1 2 3 4 5 6 7
3. You do not receive prompt service from Stillwater National Bank's employees. 1 2 3 4 5 6 7
4. The employees at Stillwater National Bank are not always willing to help customers. 1 2 3 4 5 6 7
5. I feel secure in my dealings with Stillwater National Bank. 1 2 3 4 5 6 7
6. The people at Stillwater National Bank are polite and courteous. 1 2 3 4 5 6 7
7. You can trust the people at Stillwater National Bank. 1 2 3 4 5 6 7
8. The employees at Stillwater National Bank do not give you individual, personal attention. 1 2 3 4 5 6 7
9. The employees at Stillwater National Bank do not know what your needs are. 1 2 3 4 5 6 7
10. It is important for me to know one person I can deal with at Stillwater National Bank. 1 2 3 4 5 6 7
11. Stillwater National Bank has up-to-date equipment. 1 2 3 4 5 6 7
12. The employees at Stillwater National Bank are well dressed and appear neat. 1 2 3 4 5 6 7
13. The employees of Stillwater National Bank are usually too busy to respond to customer requests promptly. 1 2 3 4 5 6 7
14. Stillwater National Bank provides information I need. 1 2 3 4 5 6 7
15. Employees at Stillwater National Bank perform their job in a highly competent manner. 1 2 3 4 5 6 7
16. Overall, I would rate the quality of service provided by Stillwater National Bank, compared to other banks in the United States, as:

1	2	3	4	5	6	7
very poor	poor	below average	average	very good	superior	exceptional

Courtesy of Stillwater National Bank, Stillwater, Oklahoma.

Customer Service = $uccess

Student Supplement 3—Sample Vision/Mission Statements

Sample A: Mission statement—Frontier Engineering

Sample B: Mission statement—Dearinger Printing and Trophy, Inc.

Sample C: Mission/vision statement—Mercury Marine

Sample D: Vision statement—Stan Clark Companies

Sample A: Mission Statement

FRONTIER ENGINEERING

MISSION STATEMENT

Frontier Engineering designs, develops, and manufactures high-quality electronic products and systems and provides technical services, primarily for the U.S. Government and its prime contractors. Frontier develops and executes strategic plans that ensure the company achieves leadership in all relevant technical disciplines; develops new, diverse, and profitable products; and consistently captures a major share of our chosen markets. The company's values and culture emphasize achieving excellence in all phases of operations, and in particular require professional and ethical relationships with our customers, our suppliers, and our employees.

Courtesy of Frontier Engineering, Stillwater, Oklahoma.

Sample B: Mission Statement

The mission of Dearinger Printing & Trophy, Inc., is to create a positive environment in which we provide our customers with guidance in using words and graphics to create successful printed products that will help them meet their needs for stable business growth.

Courtesy of Dearinger Printing & Trophy, Inc., Stillwater, Oklahoma.

Sample C: Mission/Vision Statement

Mercury Marine

Our mission—

- To serve and satisfy customers in the worldwide marine marketplace
- To provide the highest level of customer satisfaction
- To provide the highest level of employee motivation
- To enhance our products through technological advances, quality, and cost improvements
- To develop a global market for our product line
- To perform with dignity, trust, and integrity
- To protect the environment

Mercury Marine

Our vision—

Our vision of customer service must come from our mission statement. To accomplish our mission will take a maximum effort from all our employees, our suppliers, and our customers. We are all in this together and our success depends on all of us working to meet this mission.

The key to a clear vision is understanding our core values—our bone-deep beliefs that are necessary to get a total team effort whether we are a supplier, the manufacturer, or a dealer.

Our **first core value** is to understand that our company has internal and external customers. Without this understanding, we cannot reach our full potential in meeting our mission goals. Therefore, we will seek continuous training and reinforcement of this concept in all our actions.

- We see our engineers, our suppliers, our dealers, and our customers working together on the design and development of our products—each contributing information beneficial in producing the best products.
- We see the companies that supply our components having a strong desire to do business with us because of the mutual efforts put forth to produce quality products, and we see both our suppliers and our company being able to make profits on the products we produce.
- We see dealers working together with our engineers during the product-development stages to satisfy the needs of the people who will be called upon to service our products.
- We see our customers involved in the concept stage as well as in the development stage of product design. During these stages, we see continuous customer input being used to produce products that meet customer needs.

Sample C (continued)

- We see our company providing a comprehensive qualification procedure to test our products until failure to ensure a wide margin of safety and reliability. As a part of this procedure, products will be tested under customer conditions and we will use a steady inflow of technical data to determine accurate levels of quality and confidence.

Our **second core value** is to continually improve the quality of our products and processes. We see this core value internalized by each employee as an essential part of our work culture.

- We see the quality of our products at such a high degree that all other producers recognize their superiority and use our products as benchmarks for quality.

- We see the quality and reliability of our products as being so high that customers will pay a premium price for these products and will not want any other brands.

Our **third core value** is to create a technical-service organization made up of employees who have a true passion for customer satisfaction and enjoy helping others.

- We see employees with a high level of energy and a willingness to see the company's objectives achieved.

- We see service being facilitated by policies that are easy for employees to understand.

- We see employees taking complete ownership of any service problems and doing whatever is reasonable within the stated policies to serve their customers.

- We see employees keeping the customers' viewpoint in mind when finding solutions to service problems.

- We see a technical-service system developed to serve our customers quickly and efficiently. We will use the latest technology and implement this technology into the system before our competitors.

- We see a worldwide training network developed to serve our customers. Personnel working within the training network will show a high level of enthusiasm; schools will be well equipped and project an atmosphere of pride in our products; customers will identify our company as providing the best possible training.

- We see industry news writers using our company as an example of the right way to do things and as the benchmark for training both inside and outside of our industry. We see our company being written about in leading national magazines and business newspapers.

Our **fourth core value** is to create a worldwide network of support personnel dedicated to serving our customers.

- We see highly motivated, courteous, and well-trained support personnel capable of handling most technical problems on the spot.

- We see a network of premium dealers selling our products at premium prices because the consumer recognizes that we have the best products and the best service support available.

- We see our dealers displaying our products with the same look seen for new automobiles at the best auto dealership in town.

Sample C (continued)

- We see our products being supported with clearly written service manuals for both the dealers and the consumers.
- We see service technicians that are neat in appearance and have had the most up-to-date training in the care and maintenance of our products.
- We see all our products being carefully installed and checked prior to delivery, and product features being carefully explained to the consumer at the time of delivery.
- We see dealers doing their own customer-satisfaction measurements and customer follow-up.
- We see dealers constantly monitoring the service they provide and continually training their technical staff.
- We see dealers selling our products at premium prices because the consumer recognizes our products will perform reliably all the time.
- We see dealers acting as partners in our company and believing that the company listens to their needs at all times and allows them to play an important role in the design of the products they buy and sell from us.
- We see the policies and procedures established by our company as being easy for our dealers to understand and easy for them to use.
- We see our dealers having all the information they need to properly service any product and also being provided with the proper support from factory personnel via 800 telephone service.
- We see equipment failures being handled quickly and efficiently with a good balance of information provided by both the dealer and our company.

Courtesy of Mercury Marine, Stillwater, Oklahoma.

Sample D: Vision Statement

STAN CLARK COS. VISION OF GREATNESS

We want the Stan Clark Cos. to become and to be known as a great company. Greatness demands a commitment to excellence in everything we do. Recognizing that people are our most important asset, we acknowledge that we can only treat our customers (guests) as well as we treat ourselves. We will achieve greatness through a commitment to the following goals and practices.

With Team Members —

- Establish a climate of openness, mutual respect, and teamwork.
- Value each team member as an individual and profit from diversity.
- Provide abundant opportunity; maximize individual development and sense of fullfillment.
- Recognize contributions and excellence.
- Ensure that all team members understand how they can contribute and where they stand.
- Provide a safe, wholesome working environment that is stimulating, pleasant, and supports maximum personal effectiveness.
- Create a caring family environment.
- Link company and employee interests.
- Make a commitment to "ego-less" management; the welfare of the company and its people transcends individual goals and concerns.
- Emphasize compassion and flexibility so that human needs are met.
- Resolve all conflicts quickly; disagree without fear; say "no" when it's the right answer.
- Interact honestly at all times.
- Exude an attitude of enthusiasm in everything we do!

With Customers —

- Recognize that customers are the beginning and the end; nothing good happens until we satisfy every need of our customers (guests).
- Ensure that each guest's expectations are exceeded for service/process and service/outcome, product quality, and price/value.
- Ensure that each guest has a "good feeling" from interacting with our company thus enhancing our company's reputation. The best perceived value is a good time.
- Handle customer inquiries, concerns, and complaints in a prompt, fair, and courteous manner, always to the customer's complete satisfaction.
- Become a model company through community involvement and excellent community relations.
- Exude an attitude of enthusiasm in everything we do!

With Suppliers —

- Encourage long-standing, mutually profitable relationships.
- Develop the highest quality standards; clearly define our expectations and assist suppliers in achieving satisfactory performance.
- Exemplify courtesy, integrity, and responsiveness to set the standard for superior supplier relations.

Courtesy of Stan Clark Companies, Stillwater, Oklahoma.

Customer Service = $uccess

Student Supplement 4—Sample Policies and Procedures Statements

Sample A: Customer-service policies and procedures—Ai Research

Sample B: Warranty program—Mercury Marine

Sample A: Customer-Service Policies and Procedures

Ai®

Customer Service

SERVICE

Follow these easy steps for parts replacements.

Return the defective part and we will send a replacement.

No paperwork.

No hassles.

We build the best, most reliable products we know how to build. Unfortunately, though, components are breakable and sometimes parts are defective. We believe that good service means resolving problems quickly, with a minimum of hassle, to everyone's satisfaction. To that end, we have established a few policies that we hope will make good service the rule, not the exception.

If a customer returns defective equipment, first determine what component is defective (woofer, tweeter, crossover, etc.). Please return only the defective component, not the whole speaker.

There are two ways to handle the return:

1. If you need a part right away, call 1-800-000-0000, and order the part you need. We'll send your order prepaid, generally within 24 hours. You will be invoiced for the part. When we receive the defective part *with a written request for a credit*, your account will be credited in full. No RA required.

OR

2. Return the defective part (no note necessary), and when we receive the part, we will automatically send a replacement. No RA required.

WARRANTY

Service Support That Dealers Can Count On

We know what it is like to be second-guessed by the factory on warranty coverage! We make it simple—if the dealer says it's warranty, it's warranty!!! No ifs, ands, or buts! Warranty parts are shipped on request and fully credited upon receipt of defective parts. We ask that warranty not be abused, as it increases everyone's cost, but we won't leave the dealer holding the bag!

This warranty statement is included with each Ai Research product.

Ai Research warrants all materials and workmanship for a period of one year from the date of purchase subject to the following limitations:

1. The warranty card is returned to us within 15 days after purchase.
2. You have a copy of the sales receipt showing the date of purchase and the name of the dealer.
3. Defective parts are returned freight prepaid with proof of purchase. Replacement parts are returned freight prepaid. If the complete speaker is returned, return shipment will be made freight-collect.
4. The speakers were purchased from an authorized Ai Research dealer.

Courtesy of Ai Research, Stillwater, Oklahoma.

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Sample B: Warranty Program

Service

QCARE '94

QUALITY MARINE SERVICE

WARRANTY PROGRAM

Product Warranty Program

An important part of the sales effort is the limited product warranty. An important part of your service effort is warranty service. Our comprehensive limited product warranties help you increase sales by maintaining a high level of customer satisfaction. We support your warranty-service effort through prompt reimbursement of warranty claims, equitable flat rates, the strongest support in the industry, and fairness to you and your customer.

Limited product warranties

- One-year MerCruiser, Mercury, Mariner, and Force warranty for normal pleasure application
- One-year warranty on a limited selection of production high-performance products; 90-day warranty on most remaining high-performance products
- One-year MerCruiser, Mercury, and Mariner warranty for commercial operators
- Six-month Force warranty for commercial operators
- One-year warranty on all customer-purchased Quicksilver replacement parts and accessories
- One-year warranty on all customer-purchased Quicksilver QuickFit replacement parts
- Five-year (pro-rated) warranty on Quicksilver inflatable boats
- Transferable warranty for the unused portion of the MerCruiser, Mercury, Mariner, Force, and Quicksilver inflatable boat limited warranty

Three-year limited warranty against corrosion failure . . . a MerCruiser, Mercury, Mariner exclusive!

Mercury Marine is the only manufacturer to exclusively warrant its products against failure due to corrosion. Your customers can purchase MerCruiser, Mercury, and Mariner products with confidence, knowing that the same team of professionals and the same service support that stands behind its limited product warranty also protects their investment for three years against the devastating effects of marine corrosion. Mercury Marine confidence is customer confidence!

Three-year limited warranty against corrosion failure . . . the program

- Warranty covers failure due to corrosion that renders a part inoperative.
- This program provides THREE FULL YEARS of coverage beginning on the original date of sale.
- This warranty is transferable.

Sample B (continued)

Product Registration

We assure each Mercury, Mariner, or Force outboard, MerCruiser, and Quicksilver inflatable-boat owner of our continuing support through our Owner Warranty Registration System. Registration assures the customer:

- Prompt warranty service
- The ability to transfer warranty to a second owner
- Product traceability in case of theft
- Record of ownership for important service information mailings

The program

- Three-part "Owner Warranty Registration Card" gives dealer and customer a temporary registration card.
- Registration via MIDAS, or MIDAS PLU$ computer systems—your customer's new product is factory-registered within 24 hours!
- Customer receives a permanent plastic "Warranty Registration Card" from the factory. This card is accepted for warranty service by thousands of authorized dealers.

MIDAS PLU$ & MIDAS: Mercury Information Dealer-Access System

MIDAS PLU$ is a multi-functional personal-computer software package that makes your computer your most important business tool. You can communicate with Mercury Marine in an efficient and cost-effective manner. You save money on your long-distance phone bill by conducting most business functions on your personal computer using MIDAS PLU$.

MIDAS PLU$ allows you to price-out estimates, check P & A prices for customers, and get important questions answered immediately.

You can build a parts order throughout the day and send it to Mercury Marine later, when it is convenient for you. The system validates all the parts as you enter them.

You can check the status of an order or backorder without having to make a phone call.

Warranty registration can be completed as soon as you sell a Mercury Marine product. There are no mail delays. Your customers' products are automatically registered by the following day.

Sample B (continued)

You can check the history of a customer's product: the model year, registration date, and prior warranty claims (what was replaced and when). File warranty claims on MIDAS PLU$. Your approved claims are guaranteed to be processed within 24 hours. Less administration results in efficiency and prompt warranty reimbursement.

Have a special sale coming up at your dealership? Get a list of all your registered customers. You also can request labels for any mailings you may have.

MIDAS is your direct connection to Mercury Marine and is a standard feature of MIDAS PLU$. MIDAS has extremely flexible hours, accessible 24 hours a day, with the exception of Thursday evenings from 6:00 p.m. through 8:00 p.m., and Sunday from 12:00 p.m. through 5:00 a.m. Monday. MIDAS is there when you need it.

MIDAS Help Desk
P.O. Box 1939
Fond du Lac, WI 54936-1939
1-800-55-MIDAS
1-800-MIDAS-11 (Wisconsin only)

Call or write the MIDAS Help Desk today!

Owner's Operation & Maintenance Manuals

Owner's operation and maintenance manuals, shipped with each new Mercury, Mariner, Force, and MerCruiser product, provide your customers with important safety, operation, and maintenance instructions. Just like the predelivery inspection, it is important that you review this manual with your customers. Customers confident in the operation and maintenance of their product are satisfied customers.

Remember, your opportunity does not stop with ensuring that the customer is satisfied. Pointing out the recommendations for periodic maintenance AND for Quicksilver lubes, parts, and accessories in the manual means improved sales and service opportunities . . . this equation adds up to more profits!

Sample B (continued)

Service Manuals and Service Bulletins

Service manuals and service bulletins are as important as any tool you own. More critical is that the important technical information these manuals and bulletins contain is current and in your hands at the right time. Our skilled staff of technical writers use state-of-the-art electronic-publishing methods to deliver the technical information you need to properly diagnose problems and to correctly repair and maintain your customers' products.

At times, there is a need to communicate important product information to you, such as new-product information or changes in service instructions. Service bulletins are mailed to you in a timely manner to ensure that your service information is current and complete. Look for our special yellow "Service Information" envelope in the mail.

Technician's Handbook

An extraordinary printed tool written for the experienced, skilled technician, the technician's handbook contains:

- Specifications and adjustments
- Timing/synchronizing/adjusting specs
- Ignition troubleshooting
- Torque specs
- Wiring diagrams

Dealer Operations Guide

Success and profit in your business depend on successful sales and satisfied customers. The Mercury Marine *Dealer Operations Guide* addresses those important administrative issues that can help you realize success in the selling and servicing of Mercury Marine products. This publication guides you through the details of ordering parts and reading invoices; contacting sales and technical services; and obtaining important warranty information.

To order copies at no charge, order part number SIS-1078. Place your order with:

Publications Department
P.O. Box 1939
Fond du Lac, WI 54936-1939
400-000-0000

Sample B (continued)

$99.00 Annual Service-Literature Program

Mercury Marine provides an easy and economical way for you to keep up to date on your service manuals and technical literature.

Your entire cost for the technical publications we produce during the year is covered by an annual $99.00 billing assessed each May.

We assess this annual fee rather than charging for service manuals as they are published; it's simpler and less expensive for you. As publications are revised, we'll automatically send them to you. With our service-literature program you can

- Save expensive long-distance charges by having the information you need without calling technical services.
- Minimize customer comebacks.
- Eliminate confusion in your dealership.
- Improve revenues by operating more efficiently.

Customer Technical Services

The Technical Services Departments are available to help customers who have operation or maintenance questions. Factory phone numbers listed in the owner's operation and maintenance manuals make it easy for your customers to get the help they need. Customers in need of service and maintenance work beyond their capabilities, and those in need of parts, will be referred to their selling or local dealers.

Customer-Only Technical Services Telephone Numbers

- Mercury, Mariner Outboards, Quicksilver Accessories, Propellers, Inflatable Boats, Trolling Motors —400-000-0000

- Force Outboards, Force L-Drives, Quicksilver Accessories, Propellers —400-111-1111

- MerCruiser, Hino Diesels, BMW Diesels, U.S. Marine Inboards, Quicksilver Accessories, Propellers —400-222-2222

Sample B (continued)

Consumer Affairs

At times, a customer may feel that it is necessary to contact the factory because of a concern with a product or with a dealer. Our consumer affairs specialists work with customers and dealers to resolve these concerns fairly and equitably. Consumer affairs factory addresses and phone numbers are listed in all owner's operation and maintenance manuals.

Mercury/Mariner/Force Outboards, Force L-Drives, Quicksilver Accessories, Propellers, Inflatable Boats, Trolling Motors

Consumer Affairs Department
P.O. Box 1939
Fond du Lac, WI 54936-1939
400-000-0000

MerCruiser, Hino Diesels, BMW Diesels, U.S. Marine Inboards, Quicksilver Accessories, Propellers

Consumer Affairs Department
3003 North Perkins Road
Stillwater, OK 74075
400-111-1111

Warranty Claims-Processing

We offer the best warranty claims-processing program in the industry! You can submit claims three ways:

- Use MIDAS PLU$ or MIDAS
- Mail in our factory-generated Warranty Claim Form
- Complete and mail in our claim form using the prepaid envelopes

Our computerized warranty claims system allows us to process your claim in less than five days upon our receipt.

The warranty credit invoice you receive reflects our commitment to timely processing. Now, you can measure our performance. Each credit invoice states the amount of time (in days) that it took us to process your claim.

Sample B (continued)

24-hour claims processing . . . submit warranty claims using MIDAS PLU$ or MIDAS

Submit your warranty claims using the warranty claims feature on your MIDAS PLU$ or MIDAS system; we'll have your approved claim processed and credit issued within 24 hours! Warranty claims and MIDAS PLU$/MIDAS . . . together they make dollars and sense!

Factory-generated warranty claim

For those special warranty repairs requiring preauthorization, we complete the warranty claim for you! With the touch of a computer key, the technical services administrator generates a factory-completed warranty claim during preapproval.

That's right, we fill the claim out for you! When you receive the claim in the mail, simply have your customer sign the customer copy and you send it back to us following the simple instructions on the back of the claim. No hassles, no dealer administration . . . quick, easy credit!

Dealer warranty claim forms

We know that, as a marine dealer, you work with many products. Each of those products has its own set of rules and . . . its own forms.

We've designed a warranty claim form that can double as a shop work order. For some of you, this may cut down the number of business forms you work with.

As a warranty claim form, it is easy to read and simple to complete. We've even added prepaid mailing envelopes attached to the back of each form for you to use to mail your claim to us.

This is another simple way to help you reduce your administrative time and cost so that you focus your service effort on satisfying the customer.

To order your supply of Warranty Claim Forms from Quicksilver Distribution, order part number 90-821217.

Flat-Rate Program

We're sincere about providing you with simple and fair warranty programs . . . programs that give you the competitive service advantage. Our product flat-rate program provides you with the opportunity to provide quality warranty service to your customers as well as a means to fairly measure the productivity of your service operations.

Sample B (continued)

Simplicity and fairness are designed into our product Flat-Rate Program.

All product flat rates are contained in the *Dealer Operations Guide*. Order SIS-1078

Order from: **Publications Department**
P.O. Box 1939
Fond du Lac, WI 54936-1939

400-000-0000

Warranty Return Parts

Freight collect

We again take the lead in providing you with simple programs designed to save you time and money. You know the scenario about returning warranty parts using a trucking company. Box-up the parts with the warranty claim in the box. Call the trucking company. They pick up the parts and hand you a bill. That's because manufacturers want all parts returned freight prepaid. Now you have to try to get your money back on freight charges. This usually means more time and paperwork for you.

Mercury Marine has eliminated that hassle for you. To send truck freight parts back, you simply send them back freight collect! Call the special "800" toll-free number for the designated carrier in your area and tell them you have to return parts to Mercury Marine. They'll pick them up and that's it! Your job is done!

All the details of this program are outlined in the "Warranty" section in your *Dealer Operations Guide.*

UPS consignee billing

Are you a regular UPS customer? If you have a UPS account, you are eligible for the UPS Consignee Billing Warranty Return Parts Program. This program is a joint effort between Mercury Marine and United Parcel Service that enables dealers who are UPS customers to send back UPS-able warranty parts at no charge. Simply hand your box of parts with the special "Consignee Billing Bar Code Label" on it to the UPS driver when he/she makes his/her daily stops. No weighing packages, no selecting the UPS zone, no administration time claiming your UPS charges, and no up-front spending of your money to return warranty parts.

UPS Consignee Billing is another simple program designed to save you time and money.

If you are not a UPS customer and would like to become one, or if you would like details on the Consignee Billing Program, contact your local UPS office.

Courtesy of Mercury Marine, Stillwater, Oklahoma.

Customer Service = $uccess

Student Supplement 5—Business Scenario, BackSacks, Inc.

BackSacks, Inc., is an entrepreneurial business located in the mountains of Yosemite, California. I started this business ten years ago, as a hobby, designing and making backpacks for my high-school friends. In the early stages, my packs were hand-sewn of loosely woven canvas and sold at bargain-basement prices at bargain-basement quality.

As business developed, orders came in for all kinds of custom-made sacks of various materials in varying sizes and shapes. I designed and made packs for students, bicyclists, hikers, children, and adults alike. Some wanted backpacks, others wanted belt bags, some with pockets and velcro, some with zippers and linings. Everyone wanted something different. Being pretty good at design, I was able to satisfy most people's style requirements.

Wanting to turn this hobby into a full-blown business, I began to look at the business more seriously. I was getting lots of orders, but was unable to keep up with the wide diversity of demands and still make a profit. I realized I had to focus on doing one, or just a few things, very well in order to stay in business.

My second year in business was a turning point. I had customers and business was steady, but I sensed a lack of growth. I realized that in order to make the business successful, I had to learn about business. As a young entrepreneur, I knew a lot about design, but very little about the business of running a business.

The criteria for my business were three-fold:

1. I wanted a business that related to the outdoors.
2. I wanted a business that manufactured a product, rather than a business that provided a service.
3. I wanted a business that required low overhead, used as few resources as possible, and demonstrated high productivity.

I knew what I wanted, but I didn't know how to achieve it. So, I began by talking with everyone I could think of who had skills and knowledge that I lacked. I talked with other entrepreneurs, bankers, marketing experts, hikers, bicyclists, students, textile manufacturers, outdoor enthusiasts, etc. Anyone who in some way could be connected to a part of my business was a source of information for me. I attended small-business workshops, sporting-goods conventions, and events sponsored by outdoor organizations. I conducted formal and informal surveys with a range of people from those who had never owned a backpack to my current customers.

The next step I took was to profile my customers. I surveyed customers in person and over the phone and I kept two logs of customer feedback. One log was for customer suggestions and the other log was for customer complaints.

Student Supplement 5

Over a six-month period, I had a pretty good idea of who my strongest customers were. The demographic data was broken down as follows:

- 58 percent were between the ages of 15 to 25
- 33 percent were between the ages of 25 to 35
- 9 percent were between the ages of 35 to 45
- 63 percent were male/37 percent female
- 63 percent were single/37 percent married
- 35 percent were in college or their first full-time job/65 percent had been in the work force for more than 5 years

My customers were primarily outdoors oriented and their interests included camping, hiking, hunting, and bicycling.

In reviewing my customer-log files of suggestions and complaints, I was able to see some commonalities. Several customers wrote that they were happy with their BackSack while it lasted, but when the seam tore, they threw it away. This sparked the idea of offering a repair service for customers as part of my company policy. Another trend among suggestions was to use a lightweight, weatherproof fabric. This suggestion came from cyclists and hikers primarily, but would be beneficial for everyone.

Through the process of getting to know my customers over a period of one year, I began to see what they really wanted. What they wanted most of all was *not* what I thought. They did not want the cheaply made, bargain-priced backpack I began with in all kinds of sizes, shapes, and specifications. I discovered from tracking my customers that most of them wanted a lightweight, waterproof sack with tightly woven, reinforced seams, a large zippered pocket on the outside, a small pocket on the inside with a velcro closure, and reinforcing material on the bottom. What they were looking for was a high-quality, durable, lightweight sack. And, they were willing to pay a higher price for it than I had originally thought.

Using my customers' suggestions, I drew up designs for two BackSacks. One would be large for carrying books and camping equipment and would be geared toward students and backpackers. The other would be small to hold lunches and water bottles and would be geared toward dayhikers and cyclists. Both sizes of BackSacks would be produced in three colors and made of the same weatherproof, reinforced nylon material used for making tents. They would be sold with a 120-day defect-free warranty, and a repair service would be available after the expiration of the warranty. This was a feature no other backpack company had to offer.

The first two of my three criteria in business had been met. I had focused on an outdoor product that customers wanted. The third part of my business criteria—keeping low overhead, using as few resources as possible, and maintaining high productivity—was my next challenge. Anticipating rapid business growth, I hired two part-time high-school students who had the same enthusiasm for the great outdoors as my customers. I trained these employees to mass-produce BackSacks and handle customers.

In ten years of business, my company has expanded coast to coast. I owe it all to listening to my customers.

Customer Service = $uccess

Student Supplement 6—Intrapreneurial Customer-Service Techniques

Setting the tone for customer service

As an intrapreneur, you should remember three important sayings regarding quality customer service:

- "First impressions are lasting impressions."
- "You have just one chance to make a good first impression."
- "The customer is *not* always right, but the customer is always the customer."

Whether you are the only intrapreneur in your business, or there is a staff of intrapreneurs, everyone must know how to make a good first impression because every detail of each intrapreneur's contact with each customer signals a message about your business to the customer.

The intrapreneur is the most important link between the business' product/ service and its market—its customers. It is vital to the success of your company that you know the customer-service strategy (vision/mission statement and policies and procedures statement) your company's entrepreneur has established and that you *communicate* the strategy to your customers in each dealing with them. Often, you will have more direct contact with customers than the entrepreneur and will be the first to receive customer feedback.

The receptionist who answers the phone, the person who delivers the product, the customer-service representative who services customer accounts—each intrapreneur leaves customers with an impression of the company. And, the impression left by each intrapreneur can determine whether or not the company keeps its customers. So, it is important to communicate a positive attitude and to keep this attitude through every step in providing quality customer service.

Viewing complaints as valuable customer feedback

Customer feedback can be positive or negative—suggestions or complaints. Unfortunately, much of the feedback you will receive will come in the form of complaints. However, the intrapreneur should view complaints as an opportunity for you to understand where problem situations are in your company and how they can be corrected. Without such feedback, you would not know these problems exist. So, in one respect, customers who complain are really your business allies. They provide an opportunity for you to improve upon service.

Student Supplement 6

Research shows that approximately 90 percent of the customers who have a problem and *don't* complain, stop doing business with that organization. However, approximately 50 percent of those customers who *do* complain continue to do business with the organization. Therefore, it actually pays for you to encourage customers to be critically candid with you when they do complain.

Develop the attitude that complaints are an opportunity—a useful tool in making your company more productive.

Learning to see the customer's point of view

Only when you learn how to see the customer's point of view will you be able to seek productive solutions to problems brought to light by customer complaints. Your ability to see the customer's point of view is determined by two things: (1) how well you listen and (2) how well you verbally communicate. Your attitudes toward the customer will come across loud and clear in both of these interactions. Use the following guidelines for learning to listen and speak when handling customer complaints.

1. **Listen with concern.**

    - Listen carefully and ask open-ended questions. Make sure that you understand exactly what the problem is and what the customer wants.

    - Recognize the problem. The real problem may not be what it first appears to be, but rather a symptom of the problem.

2. **Stay calm.**

    - Isolate the customer if necessary or possible so that others will not be affected.

    - Avoid responding with hostility or defensiveness.

    - Do not argue with the customer.

    - Always assume that the customer is right. Apologize, give the customer the benefit of the doubt; be a friend, not an opponent. Do not be defensive or use a defense mechanism such as rationalization.

    - Let the customer blow off steam, but do not lose your temper and do not blame others.

Student Supplement 6

3. **Be empathetic.**

   - Put yourself in the customer's shoes. Try to see things from the customer's point of view. How would you feel if this had happened to you?

   - Use reflective questions to recognize and acknowledge the customer's feelings.

     Examples: "You're feeling frustrated because ______?"

     "That would certainly make me feel angry too. What can I do to help solve the problem?"

   - Use understanding phrases such as "I know how you must feel," "This has happened to me before, and I felt . . . ," "I see," and "I understand."

4. **Be aware of the customer's self-esteem.**

   - Use phrases such as "I am sorry this has happened to you."

   - Use the customer's name frequently.

   - Do not make light of the complaint; it is a serious matter or the customer would not bring it up.

5. **Give the customer your undivided attention.**

   - Concentrate on the problem, not on personalities. Telling the customer that the previous shift is at fault or that your supervisor "did it" will not help matters. Do not make excuses.

   - No matter what happens, do not insult the customer.

   - Stick to the problem.

6. **Get the facts, and take notes.**

   - Seek out all the facts, not just the facts you want to hear or collect. The more facts you gather, the better your decision will be.

   - Use reflective questions to verify and elicit information.

     Example: "Then, as you see it ______, and that makes you feel ______? Go on. Tell me more about it."

- Weigh the facts. Give careful consideration to all of the facts you have gathered. Assess the importance of each one.

- Document the problem by writing down the key facts.

7. **Tell the customer what can be done.**

    - Make a decision based on several possible solutions.

    - Know your business' policies so that you can tell the customer what you can do.

    - If possible, offer options and choices.

    - Be positive. Stress what you *can* do, not what you *cannot* do.

    - Let the customer decide upon two or more choices if possible. Then, do what you have agreed upon.

    - Do not promise what you cannot deliver, and do not exceed your authority.

    - If you cannot solve the problem, find someone who can—your manager or supervisor.

8. **Set an approximate time for taking action.**

    - Tell the customer how soon corrective action will be taken.

    - Be specific but do not underestimate the amount of time it will take to solve the problem.

9. **Monitor the progress of the corrective action.**

    - Once the customer decides on one of the options, take action to correct the problem and keep posted on the progress made.

    - Inform the customer if there are any unforeseen delays.

10. **Follow up.**

    - Get back to the customer promptly. Tell the customer what steps you have taken to solve the problem and when and what action you have taken. Then, follow up and make sure that the customer is satisfied with the solution.

    - Report fully the entire event, the actions taken, and the conclusion of the incident.

Customer Service = $uccess

Assignment Sheet 1—Develop a Customer Profile and Write a Customer-Service Strategy

Name ______________________________ Overall rating ________________

Evaluation criteria	Rating
Directions have been followed.	______
Customer profile developed in Part A is clear, concise, and well thought out.	______
Customer-service strategy developed in Part B and Part C contain the required components listed in Student Supplement 1 and focus on "purpose" and "customer satisfaction."	______

Introduction

In this assignment, you will practice the steps in the process of developing professional attitudes by writing a customer profile and a customer-service strategy.

Exercise

Part A

Develop a customer profile

Your goal in Part A of this exercise is to analyze BackSacks' market and customer research to develop a customer profile by describing (1) the company's typical customers and (2) the tangible services and intangible service attitudes BackSacks would need to establish in order to satisfy their typical customers.

Reading assignment

Read the information presented in the following components.

Information sheet

- Objective 1, Terms and definitions associated with customer service
- Objective 2, Reasons entrepreneurs must provide quality customer service
- Objective 3, Techniques entrepreneurs use to ensure their business provides quality customer service

Student supplements

- Student Supplement 1, Entrepreneurial Customer-Service Techniques

Assignment Sheet 1

Reading assignment (cont.)

- Student Supplement 2, Sample Market/Customer Surveys
- Student Supplement 5, Business Scenario, BackSacks, Inc.

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. Your instructor will divide your class into groups of two, and you and your partner will **write a customer profile** for BackSacks, Inc.

Your customer profile must include the items in the **Customer Profile Check** below.

______ 2. Turn your customer profile in to your instructor for **evaluation**.

______ 3. Your instructor will return your customer profile with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your customer profile to your instructor for **final evaluation**.

Customer Profile Check

1. Describe the product or service provided by BackSacks, Inc.
2. Describe BackSacks' typical customers: age range, gender, average income range, and lifestyle.
3. Describe the tangible services that might be valuable to BackSacks' typical customers.
4. Describe the intangible attitudes of service that might be valuable to BackSacks' typical customers.

Part B **Write a vision/mission statement for BackSacks, Inc.**

A customer-service strategy consists of two parts—a vision/mission statement and a policies and procedures statement. Your goal in this part of the assignment is to write a vision/mission statement for BackSacks, Inc.

Reading assignment

Read the information presented in the following components.

Student supplements

- Review the information in Student Supplement 1 concerning the purposes and components of a vision/mission statement

Assignment Sheet 1

Reading assignment (cont.)

- Student Supplement 3, Sample Vision/Mission Statements
- Student Supplement 5, Business Scenario, BackSacks, Inc.

Assignment sheet

- Review the information in the customer profile you completed in Part A of this assignment

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. You and your group partner will **write a vision/mission statement** for BackSacks, Inc. Your vision/mission statement must contain the components of a vision/mission statement that are listed in Student Supplement 1.

______ 2. Turn your vision/mission statement in to your instructor for **evaluation**.

______ 3. Your instructor will return your vision/mission statement with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your vision/mission statement to your instructor for **final evaluation**.

Part C **Write a policies and procedures statement for BackSacks, Inc.**

Your goal in this part of the assignment is to complete the second part of a customer-service strategy—the policies and procedures statement for BackSacks, Inc.

Reading assignment

Read the information presented in the following components.

Student supplements

- Review the information in Student Supplement 1 concerning the purposes and components of a policies and procedures statement
- Student Supplement 4, Sample Policies and Procedures Statements
- Student Supplement 5, Business Scenario, BackSacks, Inc.

Assignment sheet

- Review the information in the customer profile you completed in Part A of this assignment and the vision/mission statement you completed in Part B of this assignment

Assignment Sheet 1

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. You and your group partner will **write a policies and procedures statement** for BackSacks, Inc. Your policies and procedures statement must contain the components of a policies and procedures statement that are listed in Student Supplement 1.

______ 2. Turn your policies and procedures statement in to your instructor for **evaluation**.

______ 3. Your instructor will return your policies and procedures statement with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your policies and procedures statement to your instructor for **final evaluation**.

Customer Service = $uccess

Assignment Sheet 2—Handle Customer Complaints

Name ______________________________ Overall rating ____________________

Evaluation criteria	**Rating**
Directions have been followed.	______
Scenario answers follow problem-solving steps.	______
Scenario answers contain reflective questions.	______
Scenario answers reflect guidelines for handling customer complaints outlined in Student Supplement 6.	______
Scenario answers reflect the company vision/mission statement and policies and procedures statement developed in Assignment Sheet 1.	______
Scenario answers are complete, thoughtful, and appropriate.	______
Scenario role-play was effectively presented.	______

Introduction

Learning to deal with complaints effectively requires planning and practice. Handling complaints requires understanding, sincerity, tact, and a true desire to be helpful. The natural reaction to most complaints is to wish they had never been made, but the intrapreneur must remember that there are no trivial complaints. Complaints that are unresolved can become major problems later on.

One productive way to view complaints is as an opportunity for the business to make corrections; as a result, every complaint is welcomed. By handling the customer's complaints when they are voiced, intrapreneurs let the customer know that they are receptive and interested in hearing information they need to provide the customer with better service. They also forestall the customer's telling the complaint to friends, relatives, and business associates, rather than to the intrapreneur who can do something to resolve the complaint. Unresolved complaints can cost the business future business.

Exercise

Reading assignment

Read the information presented in the following components.

Information sheet

- Objective 1, Terms and definitions associated with customer service

Assignment Sheet 2

Reading assignment (cont.)

- Objective 4, Reasons intrapreneurs must provide quality customer service
- Objective 5, Techniques intrapreneurs use to ensure they provide quality customer service
- Objective 6, Ways intrapreneurs demonstrate a positive attitude toward quality customer service
- Objective 7, Basic problem-solving steps
- Objective 8, Reasons intrapreneurs should learn to apply problem-solving skills

Student supplements

- Student Supplement 5, Business Scenario, BackSacks, Inc.
- Student Supplement 6, Intrapreneurial Customer-Service Techniques

Assignment sheet

- Review the customer profile, vision/mission statement, and policies and procedures statement your group developed in Assignment Sheet 1

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. Your instructor will divide your class into groups of two, and you and your partner will read each of the scenarios presented below and then **write a description** of what the BackSacks intrapreneur should say and do to resolve the complaint the BackSacks customer voices in the scenario.

______ 2. Turn your descriptions in to your instructor for **evaluation**.

______ 3. Your instructor will return your descriptions with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your descriptions to your instructor for **final evaluation**.

______ 4. **Select one scenario description** to be used as a basis for a role-play you and your partner will present to your class. **Develop a script for the role-play.**

______ 5. Turn your script in to your instructor for **evaluation**.

Assignment Sheet 2

Activity checklist (cont.)

______ 6. Your instructor will return your script with suggestions for improvement. **Make the improvements** your instructor suggests, and then, **present your role-play to your class**.

Scenarios

1. "I purchased a large BackSack 121 days ago. On a recent camp-out, one of the seams tore and I had to rope it together to hold my gear in place. I paid $59.95 for this BackSack and you warrant your products to be free from defects for 120 days. I called your customer-service hot-line and your representative told me that the warranty is good for only 120 days and that he was sorry but there was nothing that could be done about the fact that my problem occurred one day past the warranty period. It seems to me that one day should not make a difference especially since I do not use the BackSack daily and only use it for occasional camping trips. It also seems to me that your representative could have given this more consideration and talked with his supervisor about making some sort of adjustment in your policy."

What would you say?

____

____

____

____

____

____

What would you do?

____

____

____

____

____

____

Assignment Sheet 2

2. "This may seem trivial to you, but I have a problem with the BackSack I purchased from our local sporting goods store a month ago. I am an avid bicyclist. Last week, I packed a sandwich in a paper bag and put it in my little BackSack. While cycling, I rode through a mud puddle and drenched the BackSack. When I stopped for lunch—10 miles from town—my sandwich was completely soggy. I thought you guaranteed BackSacks to be waterproof. I want my money back."

What would you say?

What would you do?

Assignment Sheet 2

3. "With the remarkable popularity of your BackSacks, I have just one complaint. Every other student in my school seems to have one and they all look alike. I just bought a new blue BackSack and lost it. Someone turned it in to the lost and found at my school. When I went to pick it up, there were five identical blue BackSacks. I recently wrote to your manager in the Dallas store and suggested that you provide an area on the BackSack for identification or supply a name tag with each purchase. I thought you should know that she wrote me a letter thanking me for my suggestion and said that she would forward this idea to you. In addition, she made the extra effort to send me a handsome leather identification tag to attach to my BackSack. I thought you should know how one valuable employee went the extra mile to please one of your customers."

What would you say?

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What would you do?

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Assigment Sheet 2

4. "I recently bought a BackSack because they are becoming very popular at my school. My only problem is that, because I am 6'3", I cannot adjust the straps to fit me. I tried to return the BackSack to the store I purchased it from. An employee at this store told me that because I had purchased it on sale, the store had the right to refuse any return request on sales merchandise. I have tried to contact the manager of this store several times, but to no avail. The BackSack is of little use to me. I think you owe me a refund."

   What would you say?

   What would you do?

Assignment Sheet 2

5. "If you're a company that appreciates customers working with you on the design and development of your products, then I have an idea for you. Your BackSack has become very popular with elementary-school children. I see your BackSacks everywhere I go. As a safety feature, you might consider making the back fabric panel in a reflective material that could be seen better by cars."

What would you say?

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What would you do?

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Assignment Sheet 2

6. "Recently I ordered a replacement strap for a small BackSack that attaches to the handlebars of my bicycle. This item weighs only 1.5 ounces. I ordered the strap from your local supplier and just received the bill. I was charged freight, handling, and postage for 10 lbs. of merchandise. When I called your supplier, he said that is the minimum amount they must charge for shipping replacement items. I told him that I thought an adjustment should be made to my bill. He rudely stated that he has a minimum shipping policy and would not make any change. Without a new strap, my BackSack is useless to me. If I order directly from you, would you charge the same thing or be willing to make an adjustment in freight charges? I also think you should find a friendlier supplier."

What would you say?

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What would you do?

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Assignment Sheet 2

7. "I purchased a large BackSack about one month ago. The zipper broke and I tried to return it to the store. They were very discourteous to me and seemed more interested in explaining their store policy to me rather than in trying to help me solve the problem. The employee I talked with implied that I had damaged the product and that the broken zipper could not have been defective. This employee said that not every BackSack is perfect, but not every problem means the BackSack is defective. The confrontational tone of this employee left me with a bad impression of BackSacks' customer service. I want the zipper fixed."

What would you say?

What would you do?

Customer Service = $uccess

Assignment Sheet 3—Analyze the Customer Services Provided by an Entrepreneur

Name ______________________ Overall rating ______________

Evaluation criteria	**Rating**
Directions have been followed.	______
Content of information provided in student report is relevant, well thought out, and reflects knowledge of the information presented in the information sheet and student supplements.	______

Introduction

Each day, thousands of words are written about entrepreneurs. Daily newspapers, weekly news magazines, and monthly business journals are all sources of information on entrepreneurs and the businesses they have developed. Your goal in this assignment sheet is to learn how to analyze the information you can obtain in these various sources of information on entrepreneurs and their businesses.

Exercise

Activity checklist

Put a check mark on the blank before each activity below as you complete it.

______ 1. Your instructor will provide you with a list of possible resources to use in finding articles about the customer services provided by entrepreneurs in their businesses. Read these resources and **find** and **photocopy an article** containing information about the customer-service efforts of one entrepreneur. Have your instructor **approve your selected article**.

______ 2. **Write a short report analyzing the article you have selected.** In your report, describe the process this entrepreneur uses in identifying and meeting customer needs and what attitudes the entrepreneur believes his or her customers expect from the company and its employees.

Your instructor will provide you with guidelines explaining the format of the finished report. This assignment will be collected and retained in a portfolio that will become a record of the progress you have made in your study of entrepreneurship.

Assignment Sheet 3

Activity checklist (cont.)

_____ 3. Attach the photocopied article to your written report and turn in the assignment to your instructor for **evaluation**.

_____ 4. Your instructor will return your report with suggestions for improvement. **Make the improvements** your instructor suggests, and then, return your report to your instructor for **final evaluation**.

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